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AUTHOR Knuti, David; And Others
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ABSTRACT

This guide is intended to assist community-based organizations (CBOs) in developing Job Training Partnership Act (JTPA) programs that will provide needed services to their constituents. First, the history and implications of JTPA are summarized from a CBO viewpoint. Discussed in a chapter on JTPA funding categories are such topics as allocation categories, cost principles, management requirements, and authorized activities. Performance standards, development of a strategic plan whereby a CBO can influence or provide services through JTPA, and sources of training and technical assistance are outlined. The next two chapters contain papers written with the National Association of Private Industry Councils and the National Association of Counties that offer insight into ways in which CBOs can participate in JTPA. Concluding the guide is a simulation game, NEXUS, that is intended to help private industry councils and CBOs understand the pressures, motives, and countervailing forces that influence JTPA policymakers. An appendix includes information on the services, staff, and publications of the Center for Community Futures. (MN)

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JTPA GUIDE # 3. CBO Services Under JTPA

CHAPTER I -- Introduction

This Guide, CBO Services under JTPA, has been developed and published by the Center for Community Futures to help JTPA policy makers, planners, and program operators understand the JTPA law and its possibilities. This Guide is intended for Private Industry Council (PIC) members, Service Delivery Area (SDA) staff, elected officials, and boards of directors and especially for the staff of agencies that deliver JTPA services or seek to deliver services. This Guide and Guide Number 1, "The ABCs of JTPA", and Guide Number 2, "Programs and Activities in JTPA" will help you make JTPA services responsive to the needs of employers and the unemployed. The guides provide policy ideas, legislative analysis, and program concepts, ideas and models.

This Guide is intended to assist Community Based Organizations to develop programs which will provide needed services to their constituents. The guide offers information about JTPA, and strategies for influencing planning, service delivery, and training design for policy makers and administrators.

Chapter II summarizes JTPA from the CBO viewpoint. It focuses on requirements which enable CBOs to effect planning or compete to deliver services.

Chapter III describes the nuts and bolts which must be understood by CBOs to help them make JTPA responsive to community needs, including:

- Allocation categories
- Cost principles
- Management requirements
- Authorized activities

There is also special emphasis on two lesser used program activities -- limited work experience and exemplary youth programs.

Chapter IV focuses on performance standards -- the tools of accountability. JTPA demands positive outcomes and programs must produce documented results. CBOs must understand the requirements of this performance driven system.

Chapter V is a checklist for CBO participation in JTPA. It is a self test and tool for analysis of the local and state planning process and service delivery system. It is designed to help a CBO develop a strategic plan for influencing or providing services through JTPA.

Chapter VI is a list of sources of training and technical assistance.

Chapter VII and VIII are papers written with the National Association of Private Industry Councils (NAPIC) and the National Association of Counties (NACO) which offer insight into ways that CBOs can participate in JTPA.

Chapter IX is a simulation game, NEXUS, which can help PICs, CBOs and others understand the pressures, motives and countervailing forces which influence JTPA policy makers. It will help those who use it to understand the dynamics of JTPA planning and policy making.

Some additional information about the Center for Community Futures is also included.

JTPA GUIDE # 3. CBO Services Under JTPA

- TABLE OF CONTENTS -

I.	Introduction	1
II.	Overview and Background of JTPA	
	A. Summary of JTPA	1
	B. Dynamics of JTPA and Implications for Operation	4
	C. Historical and Policy Background of JTPA	9
	D. The Challenge of JTPA for Community Agencies	15
III.	JTPA Funding Categories	
	A. Background and Overview	19
	B. JTPA Allocation Categories	23
	C. Cost Principles and Management Requirements	28
	D. Cost Category Definitions and Limitations	33
	E. Authorized Activities - Definitions	48
	F. Limited Work Experience	62
	G. Exemplary Youth Programs	65
IV.	Minimum JTPA Standards for Planning and Performance	
	A. Specific Standards Governing JTPA	70
	B. Planning Process Requirements	72
	Standards for Selecting Service Providers	86
	C. Standards for Training and Services for Participants	90
	D. Standards for Employment During Training	100
V.	JTPA Participation Checklist	106
VI.	Sources of Training and Technical Assistance.....	111
VII.	How the Private Industry Council Works: How CBOs Can Work Effectively with Your PIC	114
VIII.	County Elected Officials and JTPA. The Rationale and Strategy for Partnership Between Counties and Community Based Organizations	117
IX.	NEXUS: Unique Simulation Series Training Tool By Phil Gillespie.....	130
	More About the Center...Staff...Publications.....	153

FIGURES

1. Historic Milestones of Employment and
Training -- 1862-1946 9a
2. Historic Milestones of Employment and
Training -- 1961-1982 9b
3. Funding Allocation Categories 27a
4. Source Documents on Federal Management
Practice 28a&b
5. OMB Circular A-122, Cost Principles for
Nonprofits 32a&b

CHAPTER II -- Overview and Background of the Job Training Partnership Act of 1982

This chapter is designed to: (1) quickly acquaint the reader with the Job Training Partnership Act (JTPA), (2) give some sense of its anticipated dynamics (as opposed to all its detailed provisions), and (3) identify immediate steps to be taken to get started on JTPA participation.

SECTION A: Summary of the Job Training Partnership Act

1. Purpose and Eligibility for Service

The Job Training Partnership Act provides funds to plan and conduct training and other activities to assist the economically disadvantaged and other people with employment problems to prepare and find employment. Those eligible to be served are primarily low-income people (70% of the Lower Level Income Standard), but also includes displaced workers, handicapped and limited numbers of others (10% of the participants) who have severe obstacles to employment but who are not disadvantaged.

2. Local Structure and Authority

Programs are provided through Service Delivery Areas (SDA) comprised of one or more units of local government. In each SDA, the local chief elected officials must appoint a Private Industry Council (PIC) with over 50% business representation and the remainder from concerned agencies and public. Once formed, the PIC enters into a partnership with the chief elected officials to jointly determine how the program is to be organized and to select the Administrative Entity to run it. A Job Training Plan is then developed for employment and training services in the SDA which must also be approved by the elected officials. Chief elected officials must concur on PIC plans. The plan is then submitted to the governor who receives the funds from the Federal Department of Labor for subcontracting to the SDA Administrative Unit. The Administrative Entity can be a governmental department or any other agency in the SDA, including community based organizations. Service Providers can be public schools, colleges, private schools, the Employment Service, private employers, or community agencies. Any organization the PIC selects can provide services.

3. Authorized Activities

Most participants will receive some Skill Training in a classroom setting in a public vocational school, private trade school, or on the job training in an employers training area. All occupations must be approved for training by the PIC and certified that the level of instruction will be adequate to the labor market. Employers will also be subsidized to provide On-the-Job-Training and Tryout Employment. Employer needs and commitments to hire will be sought out and training will be provided to meet those needs. Appropriate counseling, basic education and supportive services can be provided. Flat-rate training allowances will be reduced to much smaller payments based on a specific needs calculation and will be paid to fewer participants.

Most general work experience and work adjustment training will be eliminated.

Youth will be served through the main training program and a series of special programs as well. General preparatory training (career education, special work experience combined with classroom work, and school to work transition programs) will be permitted as Exemplary Youth Programs. A large Summer Youth Employment Program is funded as Title II-B.

4. State Structure and Authority.

The governor must appoint a State Job Training Coordinating Council (SJTCC) to participate in the formulation of JTPA policy and to initiate drafts of key state level actions such as the SDA boundary plan, the Coordination Criteria and the state level Service Plans. JTPA invites the governor to make the SJTCC into a super advisory board for the state, reviewing the Employment Service, WIN and aspects of Vocational Education.

The governor sets the boundaries of the SDAs and guides the parties to form the business-government partnership. The governor then prescribes the format of the plan, sets Coordination Criteria for the integration of JTPA with related agencies, adapts the Federal Performance Standards to the SDA and issues regulations for program administration (incorporating Federal and state law).

The state governor is the Grant Recipient from the Labor Department. The governor then funds the SDA Grant Recipient (local government, PIC or other) as subrecipients of the state's grant.

The Local Job Training Plan can only be disapproved by the governor if it does not conform to JTPA or the state Coordination Criteria. However, a program which fails to meet the Performance Standards for a second consecutive year can be "reorganized" by the governor.

The governor also operates a State Special Services Plan which supplements the programs in the Service Delivery Areas. This program provides funds for providing technical assistance, training and research to local area programs and to support the functioning of the SJTCC Council. The state is also provided operating funds for special exemplary, statewide or joint-funded programs. There are also special allocations for elderly, displaced workers and programs operated through the educational system.

Finally, the Wagner-Peyser Act which created the Federal-State Employment Service is amended to focus Job Service Planning through the JTPA planning system in the SDA areas. An Employment Service plan is to be formulated for each SDA in cooperation with the PIC. The SJTCC may return plans which do not show local planning and coordination.

SECTION B: Dynamics of JTPA, and Implications for Operation

1. JTPA is an example of the "New Federalism".

JTPA delegates real responsibility to state governors, but imposes on them a complicated system of state and local-level planning analogous to the system it replaces. It emphasizes the involvement of private business but accomplishes it through a "Partnership" with local elected officials who were the lead group under CETA.

2. Services under JTPA are targeted to the economically disadvantaged, but there are pressures to move "up scale" to the best-prepared, most able portions of the eligible pool.

In order to meet the needs of business, there is strong pressure to select mature workers or better educated youth. Some employers more readily accept such workers and they are more "Able to Benefit" from training. In the current depressed economy, there is probably a huge reservoir of such temporarily disadvantaged workers to fill all JTPA slots.

Performance standards set too high further encourage "creaming" and avoiding those most in need. JTPA needs to balance achieving results, satisfying employers and serving the people who are most in need or likely to remain dependent.

3. "Training" for real needs of private industry is the focus of employment and training activity.

The idealized activity under JTPA would be "Customized" training by a "high tech" electronics firm at its own plant for welfare recipients it had committed to hire if they completed training. Training under JTPA includes skill training, on-the-job training, services to participants and other activities. There is also youth work experience provided through the Summer Youth Employment Program.

4. JTPA mandates youth participation.

The Summer Youth Employment Program will continue as JTPA Title II-B substantially unchanged as it was originated in the Economic Opportunity Act. In the basic Title II Training Program, 40% of the participants must be youth, ages 16-21. A set of "Exemplary Youth Programs" has been suggested which could include in- or out-of-school youth and 14 and 15 year olds. These programs will operate under a different set of performance criteria, based on competencies obtained as well as placement. Finally, JTPA enables a "special work experience program" suitable for youth.

5. DOL is required to develop national "Performance Standards" which are hoped to be a positive force of the program, rather than the detailed regulations that DOL has promulgated in the past. Governors will reward high performance, and poor performance may be punished.

Performance Standards are adopted by DOL, and governors must then apply them. These standards are to make the JTPA system "performance driven" as opposed to CETA, which was "process driven" and its predecessor programs which were "compliance-driven." SDA programs which meet the standards will be rewarded from a special pool of funds available to the governor; SDA programs which fail to meet the standards over a two year period can be forced to reorganize.

The need to meet performance standards will supposedly force SDAs to pick those programs and Service Providers which will let them meet the targets. The need to hold SDA accountable and distribute the Performance Bonus will require governors to move into the difficult position of evaluating local programs.

This noble effort to maximize performance will be one of JTPA's most worthy experiments. However, it faces severe obstacles in the wide variety of conditions confronted by different SDAs in the country. If a suitable method of variation is not found, Performance Standards may further compel agencies to select the people who need the smallest amount of training -- the people who are easiest to place.

6. Nearly all forms of participant payments have been sharply reduced despite the prior consensus that they were needed.

Public Service Employment (PSE), most Work Experience and most training allowances have been eliminated. What has been substituted is a small pool (no more than 15%) for "Need-based Payments" rather than the old flat rate entitlements.

7. The "Partnership" of business and government directs JTPA at all levels and redirects its activities toward filling the real needs of business.

To get business involved and to make it influential, business nominees are to form the majorities of the Private Industry Councils in each SDA. Business involvement is to be the key to a new vitality that will transcend the restrictions and complexities of JTPA. For community agencies, JTPA may provide an opportunity for effective agencies to form their own partnership with business, and to provide contractual services ranging from outreach to "Turnkey" training delivering workers with the skills desired by business.

8. JTPA is flexible on most questions of organization and implementation of the program.

Repeatedly in the act, DOL and the governors are restrained from prescribing forms of administrative organization and program content. Planning is to be "bottom up" rather than top down. It also promises a "Performance" driven system rather than a "Process" or "Compliance" driven system. In other words, business and community agencies design programs which meet the needs of both employers and the unemployed -- if they are strong enough to be heard and effective enough to perform.

9. The Department of Labor is only marginally involved in program implementation.

If DOL's role to eliminate almost any influence they can exert through their role in regulation writing, interpretation and technical assistance. Their only channel of communication to the field is through the governor's offices, and their regulations are basically just cross-references to the statute.

10. Governors have the authority and responsibility to make JTPA work in their state.

Governors have provided direction under JTPA. The governor has organized the state geographically, vitalized the "Partnership" process within each jurisdiction, directed all the previously rival state agencies to cooperate together, set performance standards, and established planning procedures and administrative regulations. Governors must also mediate disputes in the partnerships, prescribe solutions where there is stalemate, monitor performance, give bonuses to good performers, reorganize bad performers, audit fiscal compliance and collect disallowed costs. They have organized an administrative structure and a planning process.

11. JTPA gives priority to what is locally planned within SDA and broad flexibility as to how the prescribed "Partnership" institutions will, in fact, be organized and interact with each other.

Roughly 66% of the JTPA money must be spent through "Job Training Plans" formulated in Service Delivery Areas by Private Industry Councils conforming to the boundaries of general purpose governmental units and totally covering the state. Each unit must have its Private Industry Council sharing powers with its Chief Elected Officials, formulate a Job Training Plan, and designate service providers. Neither DOL nor the governor can dictate the process or its outcome until it breaks down in stalemate or proves unable to meet performance standards. In that event, governors can intervene to force reorganization.

Governors also have mechanisms to influence the plan through funds to provide technical assistance to SDAs, supplementary grants from the Governor's Special Service Plan, and Performance Bonuses.

12. The State JTPA Office (or offices) will be a key force in JTPA although there is no mention of the shape of state level institutional arrangements in the text of the act.

The governor's planning, leadership and control tasks are formidable. The governor is the "Grant Recipient" from the Federal government and as such will have to write subagreements with each SDA, monitor their performance, and audit their records.

13. JTPA creates a potentially strong advisory board, the State Job Training Coordinating Council (SJTCC) which seems to have real responsibilities and could become a super policy board for all employment and training activities in the state.

The SJTCC has the power to initiate the SDA geographical organization plan, the coordination criteria, the special services plan and the state approach to performance standards. Moreover, the SJTCC can also become the advisory board to the state Employment Security agency and the WIN program for welfare recipients. The SJTCC is also empowered to evaluate all operations under JTPA and to assess comprehensive employment and training needs in the state.

14. The governor has special program responsibility on a state-wide basis for the Governor's Special Grants (apart from the SDAs).

One-fourth to one-third of JTPA resources are to be programmed at the state-level (apart from the local SDA system) in the Governor's Coordination and Special Services Plan. They include a plan for education programming through the state-local education structure, a plan for Governor's Special Service, a new program of older worker grants and a new special Title III program for Displaced Workers.

15. JTPA provides for a consolidation of Federally supported employment and training planning under the umbrella of JTPA, most notably the State Employment Service planning process.

JTPA requires the SJTCC to review the operations of the Employment Service, WIN, vocational education and all other employment-related agencies in the state. It is to assess whether these form "a consistent, integrated and coordinated approach" to the needs of the state. The governor is empowered to require this through the "Governor's Coordination Criteria" which must be built into each SDA Job Training Plan. These criteria will prescribe or recommend the manner in which JTPA

programs are to be integrated with the other related agency programs in the area.

The Employment Service is most radically changed by JTPA which actually amends the 50 year old Wagner-Payser Act to require joint bottoms-up planning. The Employment Service plans must be developed in coordination with the PIC at the SDA level, then reviewed by the SJTCC.

16. JTPA places severe constraints on administrative costs which are not to be waived.

Based on clear Administration and Congressional intent, lowered ceilings on administrative cost were built into JTPA as a reform measure to correct what were perceived as the excesses of CETA. The new local administrative cost ceiling is 15%, this includes all planning, administrative and operational administrative costs and means that some agencies may not be able to recover full costs under JTPA.

17. The program implications of JTPA seem to be (a) the end of comprehensive employability-development systems in favor of (b) training for specific demand occupations and (c) employer-based rather than client-centered training.

The program trend of JTPA must be inferred from the cumulative effect of the performance standards, increasingly business-oriented planning bodies, the cost of restrictions and, perhaps most of all, the level of appropriations likely in the near future.

The ideal which pervaded the predecessor programs to JTPA was client-centered, comprehensive manpower programs. These developed an individual employability development plan which combined training and services in an orderly sequence to deal with the unique problems of each disadvantaged individual.

It was a humane approach that was very expensive. These programs took in almost everyone who was eligible and tried to solve their problems.

JTPA services are built around training for a few specific occupations identified as in demand by business or employer-based in a specific business ready to hire the trainees. Those selected must want that training, seem able to benefit from it (or actually be selected by the employer) and be able to participate without an allowance. "Problem" people who do not fit may not be served.

On the other hand, PICs and JTPA planners will have the flexibility to respond to new labor market opportunities as they arise without the burdens of "first come, first served fairness" and ponderous comprehensive administrative and regulatory systems.

SECTION C: Historical and Policy Background of JTPA

Having looked at JTPA in general, its principles and dynamics and anticipated implications, it is useful to take a brief historical and philosophical diversion to put JTPA in the context of past and future employment and training policy and legislation. This is necessary to properly understand JTPA and to anticipate where it is likely to go as currently written, and how it is likely to be rewritten in the coming years.

History of Employment and Training Policy and Programs.

JTPA is preceded by over 100 years of national employment and training history of which it is the latest but not the last chapter. Figures 1 and 2 "Milestones in National Employment and Training History," present a quick overview of the scope and evolution of these policies and programs through a listing of the major acts and policy initiatives. The major historical trend has been continuous movement toward some level of Federal effort to aid all groups suffering major problems in the labor market and to even higher levels of expenditure. Massive but short lived programs have created publically financed jobs during periods of high unemployment or in depressed areas. Occasional limited thrusts have been made toward a national education, training, employment and immigration policy for all, not just the disadvantaged. Administratively, the historical trend has been to increasingly delegate detailed planning and program operations to the state and local level through local school districts and employment and training agencies.

Purposes of Public Employment and Training Action.

The principal purposes. A key to understanding employment and training programs to identify which of the several objectives are being pursued. All such programs serve a mix of objectives ordered in varying priorities. The basic purposes could be generalized as follows:

1. Economic Development Objectives: To aid the public or private employers in the nation or localities. To ensure them an adequate supply of workers with the needed skills, attributes and behavior. To this end, the nation has set up its systems of general education, vocational training, apprenticeship and labor exchange; and special programs of skill training, OJT, counseling, job development, etc. (under the Manpower Development and Training Act, Economic Opportunity Act, Comprehensive Employment and Training Act), which prepare problem people or meet special employer needs.
2. Social Work Objectives: To reduce dependency on public welfare or to reduce problem behavior from potentially dependent or alienated people by increasing the involvement of such people in the production processes of the nation so they may secure a fair share of economic rewards. To this

Figure 1

HISTORIC MILESTONES OF NATIONAL
EMPLOYMENT AND TRAINING ACTION

Early Policies and Acts to Post-War Period (1862-1960)

- | | |
|----------------|--|
| 1862 | Morrill Act establishes Land Grant Colleges to provide agricultural and mechanical instruction |
| 1865 | Freedmen's Bureau attempts to rapidly upgrade status and literacy of ex-slaves. |
| 1917 | Smith-Hughes Act establishes Federal support for vocational education at the local secondary school level. |
| 1920 | Vocational Rehabilitation Act (VR) establishes Federal-state system for the handicapped providing medical, training and employment services. |
| 1917 &
1921 | Immigration Acts shut off flow of unskilled immigrant workers into America. |
| 1933 | Wagner-Peyser Act establishes Federal-State Employment Service as "labor exchange" to facilitate orderly flow of workers to employers. |
| 1934 | Works Progress Administration (WPA) stimulates economy by providing public employment on construction and cultural and service projects (repealed by 1940). |
| 1936 | Civilian Conservation Corps (CCC) creates residential work experience and prevocational training program for unemployed youth. (Repealed in 1940.) |
| 1937 | Social Security Act creates system of Aid to Dependant Children, Unemployment Insurance and Retirement payments. |
| 1937 | Apprenticeship Training Act establishes Federal supervision of apprenticeship programs in the skilled crafts (but no funding). |
| 1941
1945 | War-time manpower policies create massive testing and training for military occupations and incorporate women into labor force in paid employment. |
| 1944 | G.I. Bill establishes Federally-operated program for veterans providing massive scholarships for higher education, apprenticeship and on-the-job training. |
| 1946 | Full Employment Act establishes national government policy to encourage full employment and the Council of Economic Advisors (employment generating provisions remain unused). |

Figure 2

HISTORIC MILESTONES OF NATIONAL
EMPLOYMENT AND TRAINING ACTION

Civil Rights, Great Society, New Federalism Era (1961-1982)

- 1961 Area Redevelopment Act (ARA) provides training to residents of depressed geographic areas and economic development tools to stimulate employment. Succeeded by the Economic Development Administration.
- 1962 Manpower Development Training Act (MDTA) provides training for the chronically unemployed in school classrooms (Institutional) and with employers (On-the-Job-Training).
- 1964 Economic Opportunity Act (EOA) establishes programs targeted to the disadvantaged (poor) including youth work experience programs for the disadvantaged (Neighborhood Youth Corps), residential youth training program (Job Corps), and the Anti-Poverty Program (Community Action Program).
- 1963 Vocational Education Amendments expand Federal support for secondary and post secondary training in public schools, encourages reorientation to labor market needs and recognition of disadvantaged as special need group.
- 1964 Presidential Executive Order No. 11246 bans employment discrimination in Federal contracts.
- 1965 Immigration and Nationality Act begins expansion of immigration; shuts off Mexican braceros.
- 1966 Civil Rights Act prohibits discrimination in employment based on race, religion, sex and age.
- 1966- Federal "manpower" programs proliferate under MDTA, EOA,
1967 Vocational Rehabilitation Amendments and Model Cities.
- 1967 Social Security Amendments create Work Incentive Program (WIN) to provide welfare recipients with employment and training services.
- 1967 Concentrated Employment Program (CEP) establishes large client-centered employment systems in poverty areas to provide comprehensive training and employment services for disadvantaged.
- 1967 Cooperative Area Manpower Planning System (CAMPS) encourages local level integration of proliferated, fragmented Federally-funded programs.
- 1968 Jobs in the Business Sector under the National Alliance of Businessmen (JOBS-NAB) provides funds directly to employers to train disadvantaged.
- 1971 Emergency Employment Act (EEA) provides funds for governmental and nonprofit employment to create jobs in a recession.
- 1974 Comprehensive Employment and Training Act (CETA) unites training programs for the disadvantaged with Public Service Employment in a Federally-funded system operated by local government.
- 1978 Basic Education Opportunity Grants (BEOG) provide individual scholarships to the disadvantaged for higher education and training.
- 1982 Job Training Partnership Act (JTPA) replaces CETA to restructure the local planning framework to increase business involvement, expand training, curtail work experience, and eliminate Public Service Employment.

end, the nation has instituted remedial, client-centered employment programs, offering comprehensive services to groups with special needs such as the handicapped, welfare recipients, the economically disadvantaged, the geographically or socially isolated, and law offenders.

3. Social Equity Objectives: To allow all groups to successfully engage in the "pursuit of happiness" through productive employment and living wages so that the groups involved may obtain what they consider to be fairness from the system and the country satisfies its desire for justice. To this end, various measures have been employed to equalize the advantages of all regardless of race, religion, national origin, sex, age and prior economic status. Laws have been passed to guarantee equal opportunity and special programs have been established to open up opportunity such as the G.I. Bill and Economic Opportunity Act.
4. Job Creation for Full Employment/Income Maintenance: To increase levels of employment in the nation during periods of recession or in chronically depressed urban or rural areas through enrollment in training programs with allowances or creation of publically financed jobs. To this end, the Federal government launched the massive Works Progress Administration program in the recession and the more limited service projects of the EEA and CETA, and, to some extent, paid training allowances in MDTA, EOA, and CETA.

The drafters of JTPA have proclaimed a shift toward the "economic development" objectives while retaining some commitment to "social equity" and "social work" objectives all at a sharply reduced per participant cost to the taxpayer. They have emphatically rejected the pursuit of "full employment" or income maintenance through this mechanism.

JTPA is then in some respects only a reorganization and reprioritization of elements present in the Federal system for some time. In other respects, it is a retreat from earlier higher levels of per-person investment, from comprehensive client-centered programming and from job creation as an economic and social tool. The reduced level of expenditure is particularly important. JTPA is a budget reduction in real spending terms from the FY '79 peak. In this context, JTPA is not only permitted to do less, it will do less.

Organization of Employment and Training Nationally

The Variables: A second important set of variables in employment and training programming is how the program is organized for planning and administration. These variables establish the flavor and effectiveness of the program rather than its size or substance. Some important variables for employment and training programs might be summarized as follows:

1. Legislative Framework: Categorical Programs vs. Block Grants. Laws can be drafted tightly and restrictively where each specific objective is separately appropriated, contracted for, and subjected to detailed regulation (as in the categorical program) or the law can provide a large lump of funds to pursue a general purpose with broad flexibility to allocate among objectives (Block Grant). Some block grants become "categoricalized" as Congress or the Federal Agency becomes progressively more directive (such as in the CETA experience).
2. Administrative Style: Dominant vs. Permissive. Administering agencies (Federal or State) may adopt a highly aggressive directive posture in drafting regulations, approving plans and budgets and supervising operating entities or they may simply establish broad guidelines and monitor results to a greater or lesser degree. In other Block Grants, states have adopted a wide range of styles from totally prescriptive to "reblocking" funds on down to lower units.
3. Brand of Federalism: Some programs operate Direct Federal in which Federal employees serve individuals without intermediaries (such as with Social Security and Veterans). Other programs operate Federal-State in which the state government is the provider of the services (such as the Employment Service). Other programs operate Federal-Local in which the Federal government directly contracts with a state, local government, or private contractor to deliver services. Other programs operate Federal-State-Local in which funds are provided to the states which in turn provide them to independent local operating entities (such as school districts providing vocational education).
4. Service Focus: Client-Centered Programming vs. Employer-Based or Labor Market-Based Programming. Client-centered programs define their objectives in terms of the occupational advancement or well-being of the client and permit the mobilization of whatever resources are legally available to accomplish that objective. "Employer-based" (or objective-based) programs establish an objective outside the client, such as delivering a number of trained individuals to an employer willing to hire the individuals. In this case, the individuals are selected and trained to be compatible with the objectives and the employer.
5. Service Delivery System vs. Individual Entitlements or Tax Credits. Some programs create an operational structure where individuals must go for service (such as JTPA); others pay for services provided for an individual on a case by case basis solely on eligibility for the entitlement. Examples are the G.I. Bill, BEOG, and the Targeted Jobs Tax Credit.

6. Compliance, Process, or Performance Driven Systems. All employment and training systems contain elements of all three types of controls/sanctions but the emphasis may shift. A compliance-based system (such as the old categorical MDTA program) will ignore good performance and forgive bad if activities and budget conform to detailed requirements. A process-based system (like CETA) will forgive much if the legally constituted authorities have "properly planned" the program. A performance-based system (rarely fully implemented) will control activities by demanding a level of performance for the money without detailed guidelines as to how it is accomplished.

The JTPA Approach. JTPA has preserved the Block Grant approach of CETA while including some of the restrictions of a categorical program and shifted the administrative authority to the states. Congress wants JTPA to be a "performance-based system" and it will be if the bugs can be ironed out of performance concepts and there is the will to use them. However, JTPA has its own set of elaborate "process" requirements (the partnership) and several serious expenditure restrictions. Nevertheless, authorized activities are broad, detailed requirements are few, and authority is provided to plan from the "bottom-up".

JTPA changes the "brand of Federalism" from Federal-local to Federal-state-local. DOL's administrative style moves from restrictive to broadly permissive. The state can establish somewhat restrictive administrative style in regulating the SDA Administrative Entities, but the Act limits these to fiscal practices, inter-agency coordination and performance standards. The state must impose the local operating unit boundaries and a special form of authority sharing between local government and business (the "Partnership"). However, once formed, the local partnership is in control, except for certain expenditure restrictions and the need to meet performance standards. In terms of service focus, JTPA shifts from "client-centered" CETA programs more toward an "employer-based" program. JTPA remains a service delivery system program as was CETA, rejecting the persistent arguments for training voucher or tax credit alternatives.

The Outlook for JTPA and Key Issues for the Future

The purpose of the discussion above was to show how JTPA represented both continuity and change in the development of Federal employment and training approaches. One might also speculate how it may change in the future by the addition of new objectives, or shift in priorities, or change in administrative style or structure.

The new JTPA is proclaimed to be more of an economic development than a social work enterprise. The theory is that JTPA is to aid in the "reindustrialization of America" by retooling the skills of redundant workers for employment in high technology and other growth industries. Job creation and income maintenance are written out of the Act on the assumption they will be unnecessary. The premise is that participants should not waste their time in "make-work" experience or Public Service Employment, and they will be highly motivated and self-reliant and will not need training allowances to participate in training.

Those who are poorly motivated, have behavior problems, or unprepared academically to train for those new jobs had better "pull up their socks" because this is a "get tough" bill for hard times. Those are the premises, which are derived as much from an ideology as from the realities of finding and getting a job. Where are all the jobs coming from? JTPA certainly provides training dollars, but for what jobs?

In a more positive light, some of the best Federally funded training programs ever developed may come out of JTPA. Invited to participate, employers may provide more training directly in new occupations. Employers may do more on-the-job training which will produce real wages for participants. Youth will be allowed to have "tryouts" on real jobs instead of some boring work sites. Each training program provided is to be tied to real business needs and therefore placement and retention rates should be higher.

It also can be anticipated that JTPA will flower in many states where strong governors and staff creatively use the many tools provided by JTPA to revitalize the whole employment and training structure. In some states a financial commitment from the state may be elicited. Like the progressive era of the early 20th Century, this may be an opening for many states to become "laboratories for the nation" for improved training practices.

Emerging Issues: One might anticipate that in the next several years the following changes or problems will be proposed and debated:

- The reinstitution of Public Service Employment jobs or public works projects to directly attack unemployment if it fails to dramatically fall in the next economic recovery.
- The reinstitution of training allowances and work experience if enrollment targets for youth, disadvantaged and minority enrollment are not met and clients drop-out of the longer training programs required for high-tech jobs.
- The need for DOL to get more involved, more directive as Congress inquires about problems and demands action in states or SDAs that do not meet performance standards.

- The need for local government to have more authority over the PIC if the "partnership" breaks down in some areas into stalemate or lapses into sluggishness where business does not respond to the challenge. If Congress votes a program expansion late in a fiscal year, the question may arise, "Can the JTPA structure handle the money?"
- The need for more client-centered comprehensive approach to deal with hardcore disadvantaged people who do not fit into training for demand occupations. Work experience may seem very desirable again as a way to work with immature youth and multi-problem people.
- The blending of the JTPA, vocational education, and "workfare" systems.

Community Agency Challenge. For community agencies there will be three tasks: (1) Participate in planning JTPA on the state and local level to make it work for their constituents; be alert to emerging problems for their constituents and advocate solutions; (2) continue operational participation in service delivery where that is appropriate to agency mission; (3) participate in the national debate over JTPA and its theories about job training that seem sure to develop.

The sections to follow will identify how JTPA operates and how community agencies may participate.

SECTION D: The Challenge of JTPA for Community Agencies

Review of Situation

The essential points for community agencies are the following:

1. JTPA poses some difficult new problems for Community Agencies. JTPA is more constricted in its activities and likely to operate on a small budget. Therefore, it will be tougher to get an operational role and the traditional role of some agencies (e.g., youth work experience operator) may no longer be available. JTPA may pose significant access problems for your constituency, particularly minority and severely disadvantaged people, younger youth, and handicapped.
2. JTPA provides an open state and local planning process which will provide many access points even if an agency is not directly represented on the PIC. The "Partnership" in JTPA is between business and government but community agencies can participate actively. Community Based Organizations must be represented both in the State Planning Council (SJTCC) and the local Private Industry Council, but what agencies and how many agencies is unspecified. Even if not represented, the JTPA process requires open meetings and broad participation. The Job Training plan is a public document as are official performance reports. An opportunity to participate operationally should be requested from the PIC by an open Request for Proposals process. Community agencies have many strengths in terms of coverage, knowledge of the low income community, experience in providing services to low income people, that will give them substantial leverages in securing JTPA funds.
3. The State and Governor become the all important supervisory/policy level as the Department of Labor fades from view on the local scene. The Governor and his designated JTPA Administrative Office will be the key figure in establishing the administrative style of the program, the content of state coordination policy and the wisdom of the performance standards. The Governor also controls several pots of state-level JTPA funding not part of SDA allocations.
4. State-level JTPA Programs become increasingly important. Up to 40% of JTPA funding may come in the form of direct contracts from the state, bypassing the SDA. Attention to developments at the state level will be as important as the local.

5. JTPA will need community agencies as advisors, intermediaries, operators, or even administrative units. Aside from the need for individual agencies to protect the interests of their organization, it is also necessary to monitor and represent on behalf of their constituents -- minorities, the poor, handicapped, etc. Your group may be left out as the labor market oriented, employer-based approach is pursued. JTPA also needs the community agencies to breathe some life into its planning process. Business and government may not be all that interested in struggling with planning and running a job training program. The "partnership" may not work all that harmoniously and those with strong interests in providing service to people may be needed to urge it along. Private business has a natural bias against participating in government programs and reluctance dealing with the government. When enrollment targets are not met for specific groups, community agencies will have to point out the problem. When it comes time to shape program proposals or changes (for example, to request the waiver from the governor on payment for work experience), community agencies may be needed to make the proposals. The community agency is needed as a creative force to help balance objectives and keep things on track, and moving.

Steps to be taken by Community Agencies

Gain familiarity with JTPA and the Issues. Reading this manual will help. Policy makers and board members should be provided with copies of Chapter I, "Executive Summary." Agency Directors and principle planners should read and consider this chapter. PIC council members must understand the various JTPA planning bodies and mechanisms. After reading the manual, get briefed by someone who is familiar with developments in your state and your SDA, each will be different under JTPA.

Develop a General Agency Position. The agency director and board need to assess the agency's position on JTPA from the standpoint of the group it serves and its own interests as an organization. Some conflicts may arise between pragmatic self-interest and idealism. Idealistic concerns may be divided between the broad purposes of employment and training and the manpower interests of the agency's constituents. Whatever the result of this deliberation, it should produce rough answers to the following questions:

1. What opportunities and problems does JTPA present for the group we serve? What do we want to achieve for our constituency and the community as a whole? At the minimum for our group we would want fair access and some relevant programming. For the community we want an imaginative and effective operation that gets its

full share, spends the money available, and meets its performance standards.

2. What level of involvement should be pursued in the planning and organization of JTPA? Is it necessary or desirable to be involved at the front end, to be represented on a state or local planning council? Do we have the compelling interest? The energy? Is it pretty much on track? Do we need to be involved at the state level as well as local?
3. Should we play a planning role? Do we have the level of interest, time and energy to monitor this process? Do we have sufficient access or credibility to be effective? Do we understand the issues well enough to have something to say? Could we be most effective by not becoming involved operationally? Should our advocacy role be extended from the local to the state level?
4. Should we pursue an operating role? Do we operate JTPA programs and should we continue them? Are we successful? Do we have anything to offer? Should we continue the kind of programming required for JTPA?
5. Can we play an entrepreneurial role? Providing assistance in writing plans? In providing contractual services to PICs or businesses?
6. Who is organizationally responsible to plan and pursue our involvement? Is this purely an Executive Director function or can assignments be made to staff and board? Do we have friends in the key administrative office and on the planning boards?

Getting Involved at the State Level

For the purely local agency there may be no interest or need to be involved at the state level. But for an agency with individual or collective statewide concerns or a very strong interest in the program, it is necessary to be involved or at least informed.

1. Governor's Office: Identify the agency designated by the Governor to set up JTPA in the state. Identify its location in the state organizational structure. Find appropriate contacts in the Governor's personal office and the Governor's JTPA Administrative Unit.
2. Legislature: Will JTPA involve the state legislature? It may have to if a new agency is to be established or enabling legislation passed. Is your state delegation a help? Do they know about JTPA? They can be channels to influence the process.

3. State Job Training Coordinating Council: Has it been formed? Is it generally acceptable? Are your state associations, sister agencies and local area represented? Are further appointments possible and could you influence them?
4. Service Delivery Areas: Does your agency have a vital interest in this question? There are a number of possible access points to participate in the decision. Has the SJTCC recommended map been published? Has the Governor's proposed map been published? What are the issues? Is your local elected official aware of the map? Should you express your concerns or volunteer your expertise? Should you formally express an opinion, appeal to the Governor, etc?
5. State Service Plan Participation: Is your agency on the list to receive Requests for Proposals to deliver services to the Governor's Special Services Plan? Do you wish to seek one of the special grants available?

CHAPTER III -- JTPA Funding Categories, Authorized Costs and Activities

SECTION A: Background and Overview

Background: This chapter of the manual attempts to provide a nearly complete discussion of what activities can be conducted under JTPA and what costs are allowed. In general, nearly every conceivable employment and training activity has been authorized under JTPA with the important exception of Public Service Employment. Very few expenditures are explicitly prohibited by the provisions on cost control. The major control is through a system of limitations on specific categories of expenditure.

This chapter has been constructed with the belief that a thorough knowledge of the detailed provisions of the Act as well as its history and underlying philosophy must be understood as the product of a sharp debate between the essentially conservative reformers of CETA and the liberal defenders of a tradition of employment and training programs that was developed over 20 years of debate and administration. The resulting language is a compromise between past practice and new hopes and demands. The control mechanisms discussed here are to be the driving force for change and reform, but they themselves do not represent an easy or consistent blueprint worked out in Detroit by systems engineers. They are more like a set of new policy commandments from the Administration and Congress representing a mixture of their own determination, hopes and confusions. The commandments are:

- Be more economical and be more effective.
- Be tougher on waste in all forms including clients exploiting the program as a source of income even though they may be low income.
- Be purer in intention and practice; spend less for administration and work harder; spend more for training and accomplish more with less.
- Be less Federally-dominated or Federally-dependent; states should be stronger and take command and the Federal government will not interfere.
- Be above all business-centered or even business-dominated as the road to a more purposeful program; be locally self-reliant and creative; be unbureaucratic and flexible so that business will participate; be vigilant against all violations so no audit exceptions or prosecutions will occur.

The positive and contradictory aspects of these provisions show up throughout the provisions of JTPA as guiding principles and themes. It was found necessary to discuss them in each part as they apply to its particular provisions.

Unfortunately, a major overriding factor shaping the program is likely to be overall funding limitations. In the current budget-cutting atmosphere, more cuts must be anticipated.

The Legal Framework of the Act: There are four major systems of authorization and control in the Act. Most important is the system of Funding Allocation Categories which divide the Congressional appropriation into approximately 19 parts (depending on definition) reflecting legislative intent. Congressional Appropriations are made for the four major funding titles:

- Title II-A, Adult and Youth Programs
- Title II-B, Summer Youth Employment
- Title III, Dislocated Worker Training
- Title IV, Federal Program Responsibilities

Of these, Title II-A, II-B, and III constitute the state and locally administered portion discussed in this manual. This group is divided into at least 10 Funding Allocations Categories based on allocation formulas written into the Act. (If the "State Responsibilities" allocation is factored into its four distinct functional components, then there are 13 state and local categories.) These Funding Categories are diverse in purpose but they serve to allocate among levels of administration (national-state-local), target groups (dislocated workers, older workers, etc.), and activities (education). Unfortunately, an act that was to be simple, but challenging, has ended up quite "categorical" and complicated. But its biggest component remains the formula grants under Title II-A Service Delivery Areas (SDAs for locally planning flexible programs). Based on the components of funding of the new appropriation, the local portion of II-A will be 40% of total JTPA and over 50% of the state and local portion.

Section B of this chapter outlines these Funding Allocation categories in a unified, precise format with a brief explanation of purpose and citations to the Act. Figure 3 presents the major features of the categories and shows how next year's funding appropriation will be divided among them.

The second major control mechanism is the system of Cost Categories and the Limitations on expenditure in these categories established in Sec. 108. The Act requires that all expenditures be classified into three categories -- Training, Administration and Participant Benefits -- and allows less for the latter two

categories than most programs spent for them under CETA and that prior conventional wisdom would have considered necessary. The resulting redirection of expenditures will be a major transforming force in the program and the boundary issues between these Cost Categories a matter of vital concern and controversy. Therefore, Section D will treat this question in much greater detail than would be justified by simple accounting classification. The discussion will focus on how to live within the system, and what kinds of relief are available from higher authorities.

The third control mechanism will be discussed in Section C, "Cost Principles and Management Requirements." As was implied above, there seems to be relatively few pressing issues in this area since very little is said about it in the Act or Regulations. There seem to be three reasons for this: (1) most of the burden of control has been put on the Cost Category Limitations, (2) the philosophy of the Act does value flexibility and simplicity, and finally (3) the states are given responsibility and free reign for filling in the details.

Finally, the authorization of program activities under JTPA will be discussed in Sections E, F, and G, concluding the chapter. This area of control is the least onerous and is most supportive of the Act's commandment for local creativity and flexibility. It will be easiest for all to comprehend because the Act is broadly permissive in this area. The manual's approach will be to explain the meaning of each of the items on the JTPA program menu and how these relate to the program's positive objectives and restrictive aspects. The first part covers the basic list of 28 authorized activities; the last two parts analyze suggested program approaches for Limited Work Experience and Exemplary Youth Programs that combine these activities in a recommended manner.

Citations for the Law: Extensive citations are made to the Job Training Partnership Act. In most program planning and activity areas (Sec. 104, 141, 204, and 205) the Act itself is entirely sufficient with no further reference required. The cost definition and limitations are one of the few areas of JTPA law where it is necessary to refer to both the statutory language and the implementing regulations. JTPA Sec. 108, "Limitation on Certain Costs," sets forth the basic provisions. The provisions are expanded with important definitions in the JTPA Implementing Regulations, in the Federal Register, March 15, 1983. The official legal citation is Chapter 20, Code of Federal Regulations, Sections 626-638 or for short, 20 CFR 626-638. Sec. 629.38, "Classification of Costs," contains the key definition of "Training Costs," which must be 70% of the program. Sec. 629.39, "Limitations on Certain Costs," expands the specific applicability of the general cost ceiling in JTPA Sec. 108 to ambiguous areas of the Act not specified in the regulations. SDA Administrators should also carefully read further interpretations contained in state financial management manuals applicable to

them. However, the range of state latitude seems to have been substantially narrowed by the Federal materials which have appeared to date. With respect to fiscal control and management practice, state latitude will be much broader and it will be necessary to study the implementing State JTPA Regulations in detail.

The JTPA Regulations exempt JTPA from the large body of Federal cost principles and management requirements built up over the years. It is recommended that Standard Federal practice be used as a reference in developing the State JTPA Regulations or solving difficult points. Figure 4 in Section C of this manual is designed to make these materials accessible by listing them with clear citations to the Federal Register where they may be obtained. (They also may be obtained by calling the Office of Management and Budget in Washington and simply requesting them.) In a further effort to avoid obscure cross references, the Federal requirements for charging direct and indirect costs are included in Figure 5 in Section C. This material is the ultimate foundation for the requirement to comply with 41 CFR 29-70.102 found in Sec. 629.37(b) of the JTPA Regulations.

SECTION B: JTPA Allocation Categories

The Funding Categories in the JTPA Authorization System

The major mechanisms of Federal funding and regulatory control is the system of Funding Allocation Categories built into the Act. (Funding Allocation Categories is the term used by this manual; there is no descriptive term for these categories in the Act or the Regulations.) Each of these Funding Categories contain unique Federal requirements as to the use of the funds and an allocation of funds from among the totals appropriated under the Act. In particular, the categories require differing target groups (as described above in Chapter II) and differing administering systems. This section will provide an overview of the categories and indicate the proportion of funds allocated to each and which level -- State or SDA -- has responsibility for each category.

In general, all the activities authorized under JTPA Sections 204, 205, and 108(c) are permitted under each of the Funding Categories. (These activities are described and analyzed below in Sections E, F, and G of this chapter.) All categories are roughly the same with respect to the cost principles and restrictions as described in Section D below. The categories differ in the applicability of the various Cost Category expenditure ceilings prescribed by JTPA Sec. 108, "Limitation on Certain Costs," and clarified and expanded in coverage in the JTPA Regulations Sec. 629.39. These distinctions are described below in Section C of this chapter. The Cost Limits apply within each Funding Allocation as a whole as it is received by the State or SDA. The exception is that funds available for "Administration" 'may be' pooled" between the Allocations (See Administration Costs in Section D).

Outline of the JTPA Funding Allocation Categories

The Funding Allocation Categories applying to the State and local SDA levels are listed below in outline form. Some indication of the purpose and level of administration is given for each. Each category contains two statutory references to the JTPA Act. One is the "Authorizing" section which describes the level of administration and the manner of planning and use of the funds. The funding section describes the section of the Act for which Congress appropriates funds (Titles II-A, II-B or III) or which indicates the specified suballocation of Title II-A funds.

1. Title II-A, Adult and Youth Employment and Training Programs provides the basic core employment assistance program in two main parts.

- a. Local Service Delivery Area Program (78% of II-A Funds) allocated as subgrants from the state Governor to "Grant Recipients" in each Service Delivery Area in accord with the local Job Training Plan which establishes programs to be funded and groups to be served. (Activities authorized Sec. 104 and 141; funded Sec. 202(a)).
- b. State-level Program Responsibilities (5% of II-A funds) allocated by the state to various entities in accord with the following funding subcategories (Funded Sec. 202(b)(4)).
 1. General State Responsibilities (5% of II-A funds) to be divided among the following purposes based on the Governor's Coordination and Special Services Plan:
 - a. State Job Training Coordinating Council Support (Sec. 122) for staff, consultants, and expenses for the deliberations and investigations of the Council.
 - b. State JTPA Agency Administration (Sec. 121) to accomplish the many planning and administrative duties assigned to the Governor including planning, contracting, auditing and management information. These funds will be spent directly by the State JTPA Agency.
 - c. Technical Assistance, Training, and Planning Information to SDA Administrative Entities, PICs, and state level Service Deliverers (Sections 121(c) 1, 8 and 9). These funds may be spent directly by the state JTPA agency.
 - d. Coordination and Special Services Grants (Sec. 121(c)) including whatever extra or special activities the Governor determines to be needed including the following specifically mentioned in the Act. Service Deliverers will contract directly with the State JTPA Agency:
 1. Model Projects.
 2. Special services for offenders or other groups needing special assistance.
 3. Rural Area Projects.
 4. Energy Conservation Projects.
 5. Industry-wide training in the state.
 6. Joint funded programs with other employment-related state programs.
 2. Incentives to Service Delivery Areas (6% of II-A funds) to assist in or to encourage the attainment of performance standards by SDAs. These funds are

administered by the State JTPA Agency and may be used alternatively in two ways as described below: (Funded Sec. 202(a)(3)).

- a. SDA Incentive Grants for meeting official performance standards or serving "hard to serve individuals." The funds will be granted to the local SDA Grant Recipient.
 - b. Technical Assistance to SDAs which will fail to meet performance standards. These funds will be spent directly by the state JTPA agency and may be an important supplement to the limited funds for state responsibilities available under Sec. 121 above.
3. State Education Coordination and Grants (8% of II-A funds) to establish one or more programs of operating grants and technical assistance activities through state departments of secondary, higher or vocational education depending on the structure of the state and the decision of the Governor (authorized under Sec. 123; funded under Sec. 202(b)(1)). Grants will be in two forms from the state education department(s) to local Service Providers particularly public education bodies.
- a. Educational Services Grants (80% of this category; 6.4% of II-A) to local public school districts, colleges, vocational schools or SDA Administrative Entities for vocational training or employment related education. 50% match is required.
 - b. Coordination and Facilitation Grants (20% of this category or 1.6% of II-A) for development of coordination and linkage of educational institutions with employment activities. Direct grants or state administrative expenditure. No match required.
4. Older Worker Grants (3% of Title II-A Funds) for grants to entities providing training and placement into private employment for individuals 55 years and older (authorized Sec. 124; funded Sec. 202(b)(2)). Service Deliverers will contract with the State JTPA agency.
2. Title II-B, Summer Youth Employment and Training Programs, (Sec. 251) allocated as subgrants to SDA Grant Recipients in the same manner as Title II-A but permitting summer work experience activities for youth as well as all other activities permitted under Title II-A. Service Deliverers will contract with local SDA Administrative Entity.

3. Title III, Dislocated Worker Employment and Training Assistance providing for state level grants to local entities assisting dislocated workers with essentially the same kind of services and restrictions as Title II-A. Cash or in-hand match (100%) is required at the state level equal to Federal grant except that states with above average unemployment rate have the matching requirement reduced by 10% for each percentage point over the national unemployment rate. The State JTPA Agency may contract directly with service providers or delegate contracting to SDAs. Funding is divided into two component funding allocation categories:
 - a. National Grants to States (25% of Title III funds) to allow special targeting of funds to areas affected by mass layoffs, not disasters, Federal Government actions or "...or ... areas of high unemployment or designated interprise zones. States are required to make special applications for funds describing the need for, and the use of such assistance." (Funded under Sec. 302(a)).
4. Title IV, Federally Administered Programs to fund national administration, planning and service to special groups and the Job Corps. Grants for these programs are made directly to states, national and local contractors by the Department of Labor. Specific Programs are as follows:
 - a. Native American Programs to provide services to American Indians, Alaskan and Hawaiian Natives with preference to tribal, reservation or other comparable groups and provision for organization in non-reservation settings (Sec. 402).
 - b. Migrant and Seasonal Farmworker Programs to provide grants for migrant laborers needing special services on a multi-area or seasonal basis (Sec. 402).
 - c. Veterans Employment Programs to provide services to veterans through states and local public and private contractors (Sec. 441).
 - d. Job Corps: Provides residential educational services to dsadvantaged youth at over 160 centers on a nationwide recruitment ad referral basis. Contracts are with private and for profit organizations (Sec. 421-439).
 - e. National Activities grants and contracts to support national programs, demonstrations and activities that support the overall employment and training effort. Included are:
 1. Multi-state Programs (Sec. 451).
 2. Research and Demonstrations (Sec. 452).

3. Pilot Projects (Sec. 453).
 4. Evaluations (Sec. 454).
 5. Training and Technical Assistance (Sec. 455).
- f. National Commission on Employment Policy which considers national issues in employment and training, conducts research and advises the Labor Department and Congress on policy questions. (Sec. 471-475).

The JTPA Funding Allocation Categories -- Provisions Governing and Funding Level

Explanation of Figure 3: Because it is difficult to grasp the inter-relationship of these JTPA categories even when they are organized in an out-line form, Figure 3 has been prepared to present all the Funding Categories on one page for a big picture overview. Figure 3 also includes the specific applicability of Sec. 108 Cost Limitations, the level of contracting authority (State vs. Local SDA) and the statutory formula for the funding split of Title II-A and Title III.

The column, "Source of Funding Share," indicates the basic Congressional appropriations and the statutory formulas for subdividing these. The formulas are applied to the actual appropriation levels to determine the allocation of the remaining categories. Once the split in dollars was determined, then the percentage shares were calculated for (a) JTPA in Total (with Title IV) and (b) the state and local portion (Titles II-A, II-B and III). The last column FY '86 is devised by applying the % share of JTPA to the Appropriation figure for FY '86.

Figure 3

JTPA FUNDING ALLOCATION CATEGORIES
LEGAL PROVISIONS AND ACTUAL FUNDING

JTPA TITLE/ SECTION	FUNDING ALLOCATION CATEGORY	LEVEL OF PLANNING/ CONTRACTING FOR PROGRAM EXPENDITURE	COVERAGE OF COST LIMITATION (SEC. 108)		FUNDING ALLOCATION FY 1986			
			TRAINING 70% MINIMUM	ADMINIS- TRATION 15% MAXIMUM	SOURCE OF FUNDING SHARE	SHARE OF JTPA STATE- LOCAL	SHARE OF TOTAL JTPA	FUNDS AVAILABLE (thousands)
II-A/104	Local Service Delivery Area (SDA) Programs	Local SDA	X	X	78.0%/II-A	51.9%	40.8%	1,412,106
II-A/122	State Job Training Coordination Council Support	State JTPA Agency	Exempt	Exempt	State Determines	State Determines	State Determines	State Determines
II-A/121	State JTPA Agency Administration	State JTPA Agency	Exempt	Exempt	"	"	"	"
II-A/121(c)	Technical Assistance/Program Information	State JTPA Agency	Exempt	Exempt	"	"	"	"
II-A/121(c)	Coordination and Special Source Grants	State JTPA Agency	Exempt	Exempt	"	"	"	"
	SUBTOTAL STATE RESPONSIBILITIES (SEC. 121/122)				5.0%/II-A	3.3%	2.6%	\$ 89,957
II-A/202(b) (3)	SDA Incentives - Grants to SDA	Local SDA	X	Exempt	State Determines	State Determines	State Determines	State Determines
II-A/202(b) (3)	SDA Incentives - Assistance to SDA's	State JTPA Agency	Exempt	Exempt	"	"	"	"
	SUBTOTAL - SDA INCENTIVES (SEC. 202(b) (3))				6.0%/II-A	4.0%	3.1%	\$ 107,292
II-A/123(c) (2) (B)	State Education Services Grants	State Ed. Agency	Exempt	X	6.4%/II-A	4.3%	3.4%	\$ 119,676
II-A/202(c) (2) (A)	State Education Coordination Grants	State Ed. Agency	Exempt	Exempt	1.6%/II-A	1.1%	0.8%	\$ 27,688
II-A/124	Older Worker Grants	State JTPA Agency	X	X	3.0%/II-A	2.0%	1.6%	\$ 55,377
II-A	SUBTOTAL - TITLE II-A STATE-LOCAL PROGRAMS				Congress Determines	66.5%	52.3	\$ 1,810,127
II-B	SUMMER YOUTH EMPLOYMENT	Local SDA	Exempt	X	"	25.6%	20.1%	\$ 693,670
III-301(a)	Dislocated Worker - Grants to States	State JTPA Agency	Exempt	Exempt	75.0%/III	2.0%	1.6%	\$ 55,577
III/301(b)	Dislocated Worker - Formula Shares	State JTPA Agency	X	X	75.0%/III	5.9%	4.6%	\$ 159,208
	SUBTOTAL - TITLE III				Congress Determines	7.9%	6.2%	\$ 214,585
IV	FEDERAL PROGRAM RESPONSIBILITIES	Labor Department	NA	NA	Congress Determines	NA	21.4%	\$ 740,664
	GRAND TOTAL ALL JTPA				Congress Determines	100.0%	100.0%	\$ 3,461,045

SECTION C: Cost Principles and Management Requirements

Background:

Cost principles and management requirements govern what can specifically be bought with government funds, how these funds are to be accounted for, and what basic management standards must prevail in such systems as property management, procurement, and financial management. Cost principles and specific management requirements are often written directly into Federal legislation and elaborated at great length in implementing Federal regulations. Moreover, there is an elaborate structure of general cost and management guides applicable that have been developed over several decades to create continuity and uniformity in the management of Federal funds. In contrast, these issues are dealt with only to a very limited degree in JTPA, either in the Act or Regulations. Instead, the regulations excuse the states and SDAs from all but a few provisions of these general requirements (Regulations Sec. 629.1) and make a broad delegation of specific rulemaking capacity to them. Figure 4, Standard Federal Management Practice, is designed to acquaint the reader with the scope of what is to be replaced and the availability of this material as a reference and where it can be found in the Federal Register and Code.

Eligible Costs:

The JTPA Regulations are nearly silent on cost restrictions. They provide only the most basic commandments, a very short list of miscellaneous prohibitions, and a specific citation of the part of the DOL Uniform Requirements (41 CFR 29-70) dealing with indirect costs.

Cost Principles: The Regulations, Sec. 627.37(a), state that to be allowable costs must be:

1. Necessary for the proper and efficient administration of the program.
2. Reasonable.
3. Allocable (that is, specifically identifiable to the activity).
4. Not a general expense of the Governor or the Grant Recipient (particularly a local government) in carrying out its overall responsibilities.
5. Consistent with practices normally followed by the Governor, state agency or local grant recipient in like circumstances in non-federally sponsored activities.

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FIGURE 4

SOURCE DOCUMENTS ON STANDARD FEDERAL MANAGEMENT
PRACTICE AND PRIOR EMPLOYMENT PROGRAM PRACTICE

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1. DOL Administrative Requirements: Administrative Requirements Governing All Grants and Agreements by Which Department of Labor Agencies Award Funds to State and Local Governments, Indian and Native American Entities, Public and Private Institutions of Higher Education and Hospitals, and Other Quasi-Public and Private Nonprofit Organizations. 29 CFR 70.100-70.216. Published in the Federal Register, July 20, 1979 (JTPA is exempted from these requirements except for Sec. 29-70.102, "Direct and Indirect Costs.")
2. Indirect Costs Under Federal Grants: A Guide for Nonprofit Institutions: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contracts with HEW. Published August, 1974; GPO Stock No. 017-000-00139-6. (This guide is the "bible" on indirect costs in all Federal domestic activities and is cited as an authoritative reference by other departments. HEW, now called HHS, is the lead Federal agency in determining indirect cost policy.
3. Administrative Requirements -- State and Local Government: OMB Circular No. A-102, "Uniform Administrative Requirements for Grants-in Aid to State and Local Governments." As published in the Federal Register, September 12, 1977 and as subsequently amended.
4. Administrative Requirements -- Nonprofit: OMB Circular No. A-110, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations." As published in the Federal Register, July 1, 1976 and as subsequently amended.
5. Cost Principles -- Educational Institutions: OMB Circular A-21, "Cost Principles for Educational Institutions." As published originally in the Federal Register, February 26, 1979 and subsequently amended.
6. Cost Principles -- State and Local Government: OMB Circular No. A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State and Local Governments." As published July 18, 1974 and as subsequently amended. (Formerly known as FMC 74-4.)
7. Cost Principles -- Nonprofit: OMB Circular No. A-122, "Cost Principles for Nonprofit Organizations." As published in the Federal Register, July 8, 1980 and as subsequently amended.

FIGURE 4 (continued)

8. Uniform Audit Guidelines: Guidelines for Financial and Compliance Audits of Federally Assisted Programs, U.S. General Accounting Office, February, 1980. As published in the Federal Register, April 2, 1980.
9. Audits -- State and Local Government: OMB Circular A-128, "Audits of State and Local Governments." As published in the Federal Register, May 6, 1985.

Note: CFR means Code of Federal Regulations. Citations are customarily given as follows: Title of the Code, the abbreviation CFR, followed by Chapter and Section, as in 20 CFR 676.23. OMB means Office of Management and Budget, the central authority for management policy in the Federal government.

Like most commandments, they are highly general rules over which reasonable people may differ.

Specific Prohibitions: Getting specific, the JTPA Regulations, Sec. 627.37(c) (1-4) prohibit expenditures on the following:

1. Costs resulting from violations of Federal, state and local law.
2. Entertainment.
3. Insurance policies against debts established by the Federal government.
4. Legal costs which are for the purpose of discharging the general responsibilities of a legal officer (such as reviewing implementing ordinances for a legislature).
5. Legal costs of suing the Federal government.

This relatively short list makes no reference to such items as construction costs, land acquisition, data processing equipment, and other issues normally dealt with in such lists. There is an obvious effort at restraint or a lack of imagination in evidence here, but this will leave the states a quite free hand in setting their own standards.

Direct and Indirect Costs: The stickiest cost issues are those costs which are shared between entirely different funding sources, or different cost control centers of the same source (such as between two JTPA funding allocations or between "Training" and other costs in a single allocation). Most sensitive of all are those costs which are required to maintain the overall organizational structure of a contractor such as the Executive Director's salary, overall agency management, accounting, and a headquarters building. Here the question becomes not only what is a fair allocation, but also what is necessary. These costs are customarily and perhaps best charged through a systematic indirect cost plan and a cost rate.

The temptation for many higher authorities is to deny the validity of such costs and disallow them. The JTPA Regulations Sec. 629.37(b) specifically authorize such costs and procedures if they are charged in accord with the definitions of 41 CFR 29 - 70.102 (of the DOL) Uniform Requirements). Quoted in their entirety, these provisions are:

1. Direct Cost is any cost which can be identified specifically with a particular final cost objective. Detailed definitions of direct costs are found in the applicable cost principles (Sec. 29-70.103).

2. Indirect Cost is one which because of its incurrence for common or joint objectives is not readily subject to treatment as a direct cost. Detailed definitions are found in the applicable cost principles (Sec. 29 - 70.103).

The citation in the above provisions is really a citation to the relevant Federal Cost Principles. To save the reader a trip to the Library, Figure 5 shows the major body of the standard Federal provisions for indirect costs contained in Office of Management and Budget Circular No. A-122, Cost Principles and Nonprofit Organizations.

While this is a sound approach to indirect cost determination, the JTPA Cost Limitations on Administration are likely to prevent full recovery of even a soundly and fairly designed plan for indirect cost apportionment.

Likely Problems: It is very apparent that the state and SDA administrative authorities have a relatively free reign in managing their contractors. The tendency is to err on the side of safety and conservatism. One such approach is to insist on rigid adherence to detailed budget and to disapprove all possibly controversial items, particularly such things as equipment purchases, or require even the smallest supply to be itemized. Sound general cost principles ought to permit greater self management and initiative by program operators while preserving fiscal integrity.

Development of State and SDA Fiscal and Management Standards

The development of sound cost principles and management requirements in State JTPA Regulations is a very important task which is likely to draw little public attention but can have important implications for those who administer JTPA and those agencies which wish to participate in its implementation. A sound set of complete standards is necessary to protect the State and SDA Grant Recipients against audit exceptions and fraud. A sound set of standards can control program operators as well as protect them against capricious administrative actions and ill-considered ad hoc rulings. At the extreme, certain standards could unfairly prevent the participation of certain kinds of agencies.

Content of Management Standards: Using the DOL Requirements (41 CFR 29-70) as a model, management standards should address the following topics:

1. Definitions.
2. Subcontracting substantive functions.
3. Bonding and insurance.

4. Record retention.
5. Financial management and accounting.
6. Financial reporting and reimbursement.
7. Program income.
8. Budget control, tolerances and modifications.
9. Termination and suspension of contracts.
10. Property management and disposal.
11. Procurement standards.

Content of Cost Standards: Using the OMB Circular No. A-122 as a model, a set of cost standards should include the following:

1. General rules for key concepts such as allowability, allocability and reasonableness.
2. Direct and indirect costing procedures and standards.
3. Standards for allowability of key cost items.
4. Rules for fund accounting, cost classification and limitation (implementing JTPA Sec. 108).

Relevance of the Federal Standards: The JTPA Regulations in Sec. 629.1(c) exempt the State and SDA Grant Recipients for the requirement of the uniform DOL Requirements (41 CFR 29-70). This key document contains a detailed exposition of comprehensive management requirements which implements the standard Federal management requirements as well as incorporating the basic source documents by reference (which are listed in Figure 4). In a sense this is part of the logic of JTPA which requires the states "to establish such fiscal control and fund accounting procedures as may be necessary... (JTPA Sec. 163(a)). On the other hand, a well developed system of well-tested requirements is left behind. However, in freeing the States and SDAs from these requirements, the Labor Department states:

This does not preclude Governors and/or SDAs from applying the circulars in whole or in part at their option. Further, States and SDAs electing to adopt the principles and procedures...and implementing regulations in 41 CFR 29-70 would be considered to be in compliance with their accountability obligations under the Act.

Therefore, three alternatives seem advisable with respect to the standard Federal management materials:

1. Adopt the Federal materials as a safe way to comply with meeting their responsibilities without Federal challenge.
2. Selectively adopt some of the material.
3. Use these materials on an interim basis as a benchmark from which to develop and judge a new set of materials developed by the State and/or SDA.

However, under the circumstances, it does not seem possible or advisable to completely ignore this body of authoritative experience.

Implications for Community Agencies

Community agencies should be aware of the course of state and local regulation drafting. They should use PIC and SJTCC contacts to ensure this is an open and fair process. They should insist on comment periods wherever possible and use these to ensure the provisions are as liveable as possible.

Figure 5 (Page 1)

SOURCE ON STANDARD FEDERAL REQUIREMENTS ON DIRECT/INDIRECT COSTS

Office of Management and Budget Circular No. A-122, "Cost Principles for Non-profit Organizations" incorporated by reference into 41 CFR Part 29-70.102 DOL Uniform Requirements

Attachment A

General Principles

A. Basic Considerations.

1. *Composition of total costs.* The total cost of an award is the sum of the allowable direct and allocable indirect costs less any applicable credits.

2. *Factors affecting allowability of costs.* To be allowable under an award, costs must meet the following general criteria:

a. Be reasonable for the performance of the award and be allocable thereto under these principles.

b. Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.

c. Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization.

d. Be accorded consistent treatment.

e. Be determined in accordance with generally accepted accounting principles.

f. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.

g. Be adequately documented.

3. *Reasonable costs.* A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. The question of the reasonableness of specific costs must be scrutinized with particular care in connection with organizations or separate divisions thereof which receive the preponderance of their support from awards made by Federal agencies. In determining the reasonableness of a given cost, consideration shall be given to:

a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the organization or the performance of the award.

b. The restraints or requirements imposed by such factors as generally accepted sound business practices, arms length bargaining, Federal and State laws and regulations, and terms and conditions of the award.

c. Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, and

clients, the public at large, and the Government.

d. Significant deviations from the established practices of the organization which may unjustifiably increase the award costs.

4. *Allocable costs.*

a. A cost is allocable to a particular cost objective, such as a grant, project, service, or other activity, in accordance with the relative benefits received. A cost is allocable to a Government award if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:

(1) Is incurred specifically for the award.

(2) Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received.

(3) Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.

b. Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.

5. *Applicable credits.*

a. The term applicable credits refers to those receipts, or reduction of expenditures which operate to offset or reduce expenses items that are allocable to awards as direct or indirect costs. Typical examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing or received by the organization relate to allowable cost they shall be credited to the Government either as a cost reduction or cash refund as appropriate.

b. In some instances, the amounts received from the Federal Government to finance organizational activities or service operations should be treated as applicable credits. Specifically, the concept of netting such credit items against related expenditures should be applied by the organization in determining the rates or amounts to be organization in determining the rates or amounts to be charged to Federal awards for services rendered whenever the facilities or other resources used in providing such services have been financed directly, in whole or in part, by Federal funds.

a(c) For rules covering program income (i.e., gross income earned from federally supported activities) see Attachment D of OMB Circular A-110.

6. *Advance and understandings.* Under any given award the reasonableness and allocability of certain items of costs may be difficult to determine. This particularly true in connection with organizations that receive a preponderance of their support from Federal agencies. In order to avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, it is often desirable to seek a written agreement with the cognizant or awarding agency in advance of the incurrence of special or unusual costs. The absence of an advance agreement on any element of cost will not, in itself, affect the reasonableness or allocability of that element.

B. Direct Costs

1. Direct costs are those that can be identified specifically with a particular final cost objective: i.e., a particular award, project, service, or other direct activity of an organization. However, a cost may not be assigned to an award as a direct cost if any other cost incurred for the same purpose, in like circumstance, has been allocated to an award as an indirect cost. Cost identified specifically with awards are direct cost of the awards and are to be assigned directly thereto. Cost identified specifically with other final cost objectives of the organization are direct costs of those cost objectives and are not to be assigned to other awards directly or indirectly.

2. Any direct cost of a minor amount may be treated as an indirect cost for reasons of practicality where the account treatment for such cost is consistently applied to all final cost objectives.

3. The cost of certain activities are not allowable as charges to Federal awards (see, for example, fund raising costs in paragraph 21 of Attachment B). However, even though these costs are unallowable for purposes of computing charges to Federal awards, they nonetheless must be treated as direct cost for purposes of determining indirect cost rates and be allocated their share of the organization's indirect costs if they represent activities which (1) include the salaries of personnel, (2) occupy space, and (3) benefit from the organization's indirect costs.

4. The costs of activities performed primarily as a service to members, clients, or the general public when significant and necessary to the organization's mission must be treated as direct costs when or not allowable and be allocated an equitable share of indirect costs. Some examples of these types of activities include:

a. Maintenance of membership rolls, subscriptions, publications, and related functions.

b. Providing services and information to members, legislative or administrative bodies, or the public.

c. Promotion, lobbying, and other forms of public relations.

d. Meetings and conferences except those held to conduct the general administration of the organization.

3. Maintenance, protection, and investment of special funds not used in operation of the organization.

f. Administration of group benefits on behalf of members of clients including life and hospital insurance, annuity or retirement plans, financial aid, etc.

C. Indirect Cost.

1. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Direct cost of minor amounts may be treated as indirect costs under the conditions described in paragraph B.2. above. After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose,

SOURCE ON STANDARD FEDERAL REQUIREMENTS ON DIRECT/INDIRECT COSTS

in like circumstances, has been assigned to an award as a direct cost.

2. Because of the diverse characteristics and accounting practices of nonprofit organizations, it is not possible to specify the types of cost which may be classified as indirect cost in all situation. However, typical examples of indirect cost for many nonprofit organizations may include depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, and general administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting.

D. Allocation of Indirect Cost and Determination of Indirect Cost Rates.

1. General.

a. Where a nonprofit organization has only one major function, or where all its major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs and the computation of an indirect cost rate may be accomplished through simplified allocation procedures as described in paragraph 2 below.

b. Where an organization has several major functions which benefit from its indirect costs in varying degrees, allocation of indirect costs may require the accumulation of such costs into separate cost groupings which then are allocated individually to benefiting functions by means of a base which best measures the relative degree of benefit. The indirect costs allocated to each function are then distributed to individual awards and other activities included in that function by means of an indirect cost rate(s).

c. The determination of what constitutes an organization's major functions will depend on its purpose in being; the types of services it renders to the public, its clients, and its members; and the amount of effort it devotes to such activities as fund raising, public information and membership activities.

d. Specific methods for allocating indirect costs and computing indirect cost rates along with the conditions under which each method should be used are described in paragraphs 2 through 5 below.

e. The base period for the allocation of indirect costs is the period in which such costs are incurred and accumulated for allocation work performed in that period. The base period normally should coincide with the organization's fiscal year, but in any event, shall be so selected as to avoid inequities in the allocation of the costs.

2. Simplified allocation method.

a. Where an organization's major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs may be accomplished by (i) separating the organization's total costs for the base period as either direct or indirect, and (ii) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to individual awards. The rate should be expressed as the percentage which the total amount of allowable indirect costs bears to the base selected. This method should also be used

where an organization has only one major function encompassing a number of individual projects or activities, and may be used where the level of Federal awards to an organization is relatively small.

b. both the direct costs and the indirect costs shall exclude capital expenditures and unallowable costs. However, unallowable costs which represent activities must be included in the direct costs under the conditions described in paragraph 8.3. above.

c. The distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as major subcontracts or subgrants), direct salaries and wages, or other base which results in an equitable distribution. The distribution base shall generally exclude participant support costs as defined in paragraph 29 of Attachment B.

d. Except where a special rate(s) is required in accordance with paragraph D.5 below, the indirect cost rate developed under the above principles is applicable to all awards at the organization. If a special rate(s) is required, appropriate modifications shall be made in order to develop the special rate(s).

3. Multiple allocation base method.

a. Where an organization's indirect costs benefit its major functions in varying degrees, such costs shall be accumulated into separate cost groupings. Each grouping shall then be allocated individually to benefiting functions by means of a base which best measures the relative benefits.

b. The groupings shall be established so as to permit the allocation of each grouping on the basis of benefits provided to the major functions. Each grouping should constitute a pool of expenses that are of like character in terms of the functions they benefit and in terms of the allocation base which best measures the relative benefits provided to each function. The number of separate groupings should be held within practical limits, taking into consideration the materiality of the amounts involved and the degree of precision desired.

c. Actual conditions must be taken into account in selecting the base to be used in allocating the expenses in each grouping to benefiting functions. When an allocation can be made by assignment of a cost grouping directly to the function benefited, the allocation shall be made in that manner. When the expenses in a grouping are more general in nature, the allocation should be made through the use of a selected base which produces results that are equitable to both the Government and the organization. In general, any cost element or cost related factor associated with the organization's work is potentially adaptable for use as an allocation base provided (i) it can readily be expressed in terms of dollars or other quantitative measures (total direct costs, direct salaries and wages, staff hours applied, square feet used, hours of usage, number of documents processed, population served, and the like) and (ii) it is common to the benefiting functions during the base period.

d. Except where a special indirect cost rate(s) is required in accordance with paragraph D.5. below, the separate groupings of indirect costs allocated to each major

function shall be aggregated and treated as a common pool for that function. The costs in the common pool shall then be distributed to individual awards included in that function by use of a single indirect cost rate.

e. The distribution base used in computing the indirect cost rate for each function may be total direct costs (excluding capital expenditures and other distorting items such as major subcontracts and subgrants), direct salaries and wages, or other base which results in an equitable distribution. The distribution base shall generally exclude participant support costs as defined in paragraph 29. Attachment B. An indirect cost rate should be developed for each separate indirect cost pool developed. The rate in each case should be stated as the percentage which the amount of the particular indirect cost pool is of the distribution base identified with that pool.

4. Direct allocation method.

a. Some nonprofit organizations, treat all costs as direct costs except general administration and general expenses. These organizations generally separate their costs into three basic categories: (i) General administration and general expenses, (ii) fund raising, and (iii) other direct functions (including projects performed under Federal awards). Joint costs, such as depreciation, rental costs, operation and maintenance of facilities, telephone expenses, and the like are prorated individually as direct cost to each category and to each award, or other activity using a base most appropriate to the particular cost being prorated.

b. This method is acceptable provided each joint cost is prorated using a base which accurately measures the benefits provided to each award or other activity. The bases must be established in accordance with reasonable criteria, and be supported by current data. This method is compatible with the Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations issued jointly by the National Health Council, Inc., the National Assembly of Voluntary Health and Social Welfare Organizations, and the United Way of America.

c. Under this method, indirect costs consist exclusively of general administration and general expenses. In all other respects, the organization's indirect cost rates shall be computed in the same manner as that described in paragraph D.2 above.

5. *Special indirect cost rates.* In some instances, a single indirect cost rate for all activities of an organization or for each major function of the organization may not be appropriate, since it would not take into account those different factors which may substantially affect the indirect costs applicable to a particular segment of work. For this purpose, a particular segment of work, for this purpose, a particular segment of work may be that performed under a single award or it may consist of work under a group of awards performed in a common environment. The factors may include the physical location of the work, the level of administrative support required, the nature of the facilities or order resources employed, the scientific disciplines or technical skills involved, the organizational arrangements

SECTION D: Cost Category Definitions and Limitations (Sec. 108)

Rationale and Issues

This section deals with the key JTPA control concept, the limitations of expenditure cost categories. The Congressional approach to reforming employment and training activities was to continue to authorize nearly every kind of activity but Public Service Employment, prohibit very few costs, allow state and local planning, but seek to transform the program by controlling particular kinds of costs as a percentage of the total. The mechanism was established in JTPA Sec. 108, "Limitations on Certain Costs," which was elaborated in Sec. 629.38 of the JTPA Regulations. All JTPA costs are divided into Training, Participant Benefits and Administration which are set in quotation marks through this explanation because they are defined quite specially and somewhat at variance with common sense.

Administrative Costs rarely have an advocate, but they finance the connective tissue, brains and central nervous system of the program. Under JTPA, they are established as 15% of the program costs. This includes SDA Administrative Units, operating agency administration, all fiscal management and auditing, and (taking the regulations literally) all operating supervision above the most basic line workers (foremen on up). Under this broad a definition, few, if any nonprofit or educational institutions operate with less than 15% administrative costs. Therefore, the message is clear that for most institutions to participate in JTPA, they will have to subsidize the administrative costs of the program. SDA Administrative Units will also have to greatly curtail such functions as labor market analysis, management information systems, inter-agency coordination and evaluation from the levels prevailing under CETA. Auditing, however, is supposed to be given high priority and no doubt high priority will be required since DOL is constantly threatening to treat severely any "fraud and abuse" found in the program.

Community agencies and lay board members should not be surprised to hear anguished cries from JTPA administrators and to encounter sticky accounting and administrative law questions as those administrators maneuver to take advantage of any available loophole to get their job done. If community agencies become program operators, they will face similar uncomfortable situations themselves. Legally, there are to be no exceptions to the 15% "Administration" cost ceiling, but the discussion to follow will analyze some areas of flexibility and recourse. From the standpoint of advocacy for low income people, it will be essential to evaluate the issues with an open mind, so that concern for getting the most for the people be balanced against the need for an effective program. Automatic prejudice against "Administration" costs is probably ill-advised.

Participant Support

Participant payments, wages for work or training allowances, are reduced to a maximum of 15% under JTPA. That 15% must cover all Work Experience programming (but not including summer employment and a few other loopholes) plus all training allowances which are reformulated into a "Needs-based Payment" basis, and all Supportive Services such as daycare and transportation.

The virtue of training allowances and work experience wages is that they permit the poor person (by definition at the margin of survival), to survive during a prolonged period of training. Trainees under JTPA can only be paid a small "Needs-based Payment" of perhaps \$0 - 50.

The treatment of Work Experience under JTPA is a special case worthy of some discussion because it is the only type of training treated with prejudice under JTPA by being almost entirely excluded from the "Training" cost category and squeezed under the 15% "Participant Support" ceiling. Work Experience essentially involves putting a person to work in some kind of public benefit activity to learn how to work, how to work with others, and perhaps how to do a few specific tasks as well. Ideal Work Experience requires careful planning, skillful supervision by those who understand both work and human development, and proper equipment and supplies. Therefore, it is imperfect to varying degrees in practice since such resources are expensive and scarce. Unfortunately, Work Experience got its present bad name from two prevalent varieties of poor execution or abuse: one is where participants are farmed out around town to indifferent "work sites" where they are left to stagnate in semi-idleness and demoralizingly simple, low-priority work; the other involves using basically qualified people to supplement under-staffed public departments. The latter is essentially backdoor Public Service Employment.

Under the circumstances, one could understand the feelings of a Congress that overwhelmingly desired to cut spending, that this expensive aspect of the old program should be curtailed. And there is no doubt that it is expensive to pay at least the minimum wage to a large number of people when added to all the other costs of training (\$3.35/hr for 40hrs/wk is \$134/wk). However, despite its imperfections, Work Experience is often the only program that can serve the most difficult and under-educated people and, at its best, it can teach the most elusive quality of all, good work habits and attitudes. Therefore, it is not a trifling matter that the provision of Work Experience has been made very difficult. The conditions for its inclusion in the program will be discussed thoroughly in the remainder of this chapter. Fortunately, the provisions that allow some measure of Work Experience are also those that ought to lead to its most appropriate use. (The issue of how to provide good Work Experience will be discussed in greater detail in Chapter III under the

general heading of "Readiness Training" of which Work Experience is a key part.)

Community agencies and PIC members concerned with the service to those most in need should remain particularly sensitive to the issues involved in the "Participant Support" category. Some PICs may want to do away with all payments to participants or hold them to an absolute minimum. PICs are legally authorized to do so and, in policy mood of the times, even encouraged to do so. Other PICs may be persuaded to push for increased Participant Support and to petition the Governor for waivers of the 15% ceiling which are permitted under Sec. 108(c).

Role of the Governor/State JTPA Agency:

The state will play an important role in the manner in which the JTPA cost restrictions are administered. While bound by the Federal statute and regulations, the states will be free to make administrative determinations and funding allocations that can ease or tighten the burden of these restrictions considerably. Some of the ways in which the state can help are as follows:

1. Granting waivers of the 15% restriction on Participant Support costs under provisions of JTPA Sec. 108(c) where the local SDA has achieved reasonable compliance with the conditions for waiver and petitions the state for authority to exceed the ceiling.
2. Liberalizing interpreting the remaining questions of cost definition to classify as many costs as possible as "Training" within the fairly narrow guidelines of Sections 629.38 and 629.39 of the JTPA Implementing Regulations. The rulings will be made in the state's financial management and audit guides or its implementing regulations.
3. Sharing with SDAs the state level allocations exempt from the 15% Administration Cost ceiling to supplement local SDA administrative cost funds. (These include Section 121 and 122, State Responsibilities; Section 123, Vocational Education Coordination; Section 202(b)(3), State Incentive Grants.)

None of these measures will provide unlimited help, but they are among the few sources of relief available. PIC members should be aware that they can ask the Governor for specific help.

Training Cost Definition and Requirements

The key concept in JTPA cost control is the JTPA definition of cost category, "Training." Such costs must be 70% of most but not all JTPA allocations to the State or SDA.* Individual projects within an SDA may be composed of less than 70% "Training" but more likely they will be expected to have more than 70%. Therefore, what can be readily done under JTPA is what fits into the definition of "Training." Costs which are not "Training," while not illegal, will not be allowed if they are in excess of the ceiling specified in each individual contract. With a few important exceptions, practically any participant service involving improving the employability of participants or placing them in jobs is considered "Training." On the other hand, with few exceptions, only the personnel facilities and materials directly associated with participant service can be called "Training." The detailed provisions are as follows:

1. Program Activities Containing "Training": Training-type activities include all classroom training (Skill Training, Remedial Education, and other variations) and On-the-Job Training (in its various forms) and nearly all other employment-related counseling and job placement activities (in the various forms). However, the cost category "Training" covers only a portion of most of these training-type activities. Figure 5 provides a full listing of the enumerated services in JTPA by their likely classification. Nearly every service which directly deals with participants includes some "Training Costs" except those few which are exclusively "Participant Benefits."
2. Operational Definition of the Training Cost Category in Training Programs: In general, "Training" costs are only that portion of those programs providing training which are directly applied to providing services to participants. This includes all costs of providing outreach, instruction, job counseling and job development, including personnel costs and the facility costs, utilities, supplies and equipment used to provide these services. (JTPA Regulations, Sec. 629.38). The regulations are silent on clerical and maintenance costs, but it is hoped that the states will allow an appropriate portion of these costs to "Training." Sec. 629.39(g) requires that all costs shared between "Training" and other cost categories must be divided proportionally to actual use. Therefore, a supervisor providing some participant services may be charged to "Training" as

* There will be some intricate record keeping and accounting problems for those who seek to apply these provisions literally, and the regulations clearly seem to require it.

well as "Administration." Conversely, the cost of a training facility must be allocated between "Administration" and "Training" to the extent that supervisory and administrative functions are performed there. (Sec. 629.38(e)(9).) A Funding Category is the separate funding allocations in the JTPA Act (such as Title II-B, Summer Youth, Older Workers, etc., listed in Section B above of this chapter).

3. Additional Costs Considered Training: Other costs which are not literally training or direct participant service are also considered to be training according to the Act or the Regulations. These include:

- a. Associated On-the-Job Training Costs. Sec. 629.30 of the JTPA Regulations begins, "Training costs include: The costs associated with on-the-job training services..." While this broad statement must be interpreted through individual state regulations, it implies that the "Training" classification will cover not only the OJT training payments to employers, but also associated costs of developing and supporting OJT training. This would certainly include the employer solicitation, contract writing, certification of trainees, monitoring and settlement. Under a broad interpretation, it might include all aspects of accounting, reporting, management, etc.
- b. Tryout Employment with for-profit employers can also be considered "Training" even though the expenditure may be a direct wage payment to a young participant. (No more than 250 hours can be paid under such an arrangement.) The same rules applying to OJT costs should probably apply to these costs as well, which would mean the entire cost of developing and operating such a program should be considered "Training." (JTPA Sec. 108(b)(2)(B).)
- c. Development Cost of Customized Employer Training. JTPA Sec. 108(a) specifically directs that these costs be considered "Training." Broadly interpreted, this would include all cost of locating interested employers, planning for the training and officially contracting for the service. This situation is similar to, if not identical to, the provisions for OJT above.
- d. Job Development. Nearly all the costs of soliciting job and training opportunities from employers could safely be considered "Training." Such costs should include not only the staff making direct solicitations, but clerical staff and facilities involved in receiving, processing, and recording orders. Efforts should be made to also include the costs of marketing the program to employers, including mailing, advertisement, seminars, etc., and required personnel and facilities

to execute such services. (See discussion of services supporting training in the JTPA Regulations, Sec. 629.38(e)(1) and "Supplementary Information -- Training Cost.")

- e. Job Counseling and Assessment. Counseling-type services that support the training process can be considered "Training." These can be considered to include interviewing, collecting and recording information, testing, advising/mentoring, assigning to service, referring to employment, following up after placement, and recording services provided. Such services require counselors, data technicians, counselor aides as well as supporting clerical and data storage systems. The inclusion of all such elements supporting the training and placement process is implied in the JTPA Regulations Sec. 629.38(e)(1) and "Supplementary Information -- Training Costs."

- f. Some of "Limited Work Experience" Costs: JTPA Sec. 108(c) provides that 50% of special part-time Work Experience program can be considered training in spite of a requirement that, in general, Work Experience be considered Participant Support. Sec. 629.38(e)(1) terms such a program "Limited Work Experience." It would seem that the associated costs of the Basic Education, and Skill Training and Job Development services in a Limited Work Experience program could also be considered "Training" and not charged to Participant Support. (The nature of "Limited Work Experience" will be discussed in detail in Section D of this chapter.

- 4. Costs Specifically Excluded: In addition to the general principles above, certain costs have been singled out explicitly as not being "Training." However, these exclusions do not represent contradictions to the principles above, but rather clarifications of the boundaries between the categories. The following items are specifically mentioned:

- a. Supervision and Management costs, in general, must be charged to "Administration." (Sec. 629.38(e)(3).) Specifically, the following types of personnel are listed as not "Training." These are "project directors, program analysts, labor market analysts, supervisors and other administrative personnel." (Sec. 629.38(e)(6).) However, this list is deceptive because personnel of these types can be partially engaged in activities which do qualify as "Training."
- b. Needs-Based Payments made directly to trainees to allow their participation in training are definitely not "Training," and must be charged to "Participant Support."

- c. Supportive Services as defined in JTPA Sec. 4(24) must be charged to "Participant Support." (Sec. 629.38 (e)(4).) These include services purchased for participants such as childcare, transportation, medical corrections, etc.
 - d. General Work Experience (especially the participant wages) must be charged to "Participant Support." However, legitimately training personnel in a program offering work experience ought to be charged to "Training" depending on State Regulations.
 - e. Employment Generating Services to increase job opportunities in the area are excluded from the "Training" category by Sec. 629.38(e)(5). However, this classification should not be confused with legitimate job development activities specifically directed at securing opportunities for JTPA participants. What seem to be intended here are public relations or economic development activities designed to promote employment opportunities for the eligible population rather than efforts specifically for JTPA participants.
 - f. Construction or Renovation Costs must be "Administration" even though they might be performed on a training facility. Construction supplies would be considered "Training" in constructions skills training programs.
5. Training in Tuition and Unit Costs: In general, tuition or other unit cost charges for "Training" must be broken into "Training" and "Administration" components, unless a very restrictive kind of performance contract is entered into under the provision of the JTPA Regulations Sec. 629.38 (e)(2).
- a. Pay on a Performance Contract Basis: Payments based on a single fixed unit charge (tuition) may be considered 100% "Training" only if the following conditions are met for payment.
 - 1. Full payment is made only after the completion of training by the individual participant.
 - 2. Full payment is made only for those participants who are placed in unsubsidized employment at the wage specified in the contract.
 - b. Payments are allocated on a Training and Administration Cost Basis: This method would require the institution to present a cost analysis showing at the minimum its direct instruction costs for the training provided, and the cost of any space, equipment, etc. used for the training. The remainder, including supervisory and

administrative costs and profits, would be "Administration," and have to fit into whatever ceiling the local program established for such costs.

6. The 70% Training Cost Requirement is Controlled Cumulatively at the SDA or Statewide Level. Each individual project does not necessarily have to spend 70% for "Training" costs but the administrative authorities at the SDA or state level (for statewide programs such as Older or Displaced Workers) must ensure that the total amount in all projects and central administration balances out to at least 70% "Training." Since central administrative costs must be included in the total and some projects may use more Participant Benefits than others, Most individual training projects will be required to have 70-100% "Training" costs. The administrative authorities at the SDA or State level will have the authority to assign the "Training" cost target for each individual project subject to the approval of PIC or SJTCC.
7. JTEA Funding Allocations Exempted from the 70% Training Cost Requirement: The JTPA Regulations Sec. 629.39 defines the coverage of the cost limitations of Sec. 108(a). In general, the regulations have extended the coverage of Sec. 108(a) to all of Title I, II-A, and III with the following exceptions.
 - a. State Responsibilities, Sections 121 and 122.
 - b. State Education Coordination and Services, Section 123(c)(2) (both (A), Coordination, and (b), Educational Services).
 - c. State Performance Incentive Grants, Section 202(b)(3), when these funds are used to provide technical assistance to SDAs. When they are transferred to the SDA as Performance Incentive Grants, the 70% rule applies.)
 - d. Summer Youth Employment, Section 251.
 - e. National Displaced Worker Grants, Section 301(a).

Administration Costs -- Definition and Requirements

Except in the few specifically exempted funding allocations listed below, no more than 15% of JTPA funds can be spent for those costs termed "Administration". There is no waiver of this requirement where it applies. Individual contractors are likely to be allowed even less for Administration since this ceiling must also accommodate central administrative costs of the SDA or State JTPA Agency. Since the amounts available for administration may be too low to cover all the needs for administrative,

planning and supervisory activities in the program, there is a need to minimize these costs wherever possible both by making real savings in actual expenditures and by seeking the most favorable cost classification rulings permissible within the scope of the law. Therefore, this discussion and the section on "Training" costs preceding it are designed to help administrators and PIC members understand how these classifications are determined so these problems can be dealt with intelligently.

While "Administration" under JTPA can be defined as overall management and all supervision, there are certain complexities that make a straight forward definition difficult to formulate. The points below have been extracted from various parts of the Act and Regulations. They are the definition and principles for application as best they can be determined from the Federal requirements. Their real practical implications will also be determined by individual State Regulations and the approach of its state and SDA administrators who apply them. In at least one state, Missouri, the state legislature has arbitrarily reduced the JTPA administration cost ceiling from 15% to 10%, thereby further increasing the pressure on program operators.

1. All residual costs in training-type programs will be "Administration" if they are not "Participant Support." "Administration" in JTPA is best understood as all costs which cannot be termed "Training" or "Participant Support" regardless of whether these are usually what is considered administrative. For example, renovations even though performed on a training facility, are "Administration." The JTPA Regulations, Sec. 629.38(e)(9) require a strict proration wherever "Training" costs are mixed with "Administration" or "Participant Benefits."
2. Administration Costs may not have to be identified from within "Participant Support" type programs. This is not required by either the act or the regulations. Perhaps this is so because "Participant Support" can replace "Administration" in the 30% non-training portion of JTPA expenditure. However, the importance of this fact is that the 15% ceiling on Participant Support can be waived while the 15% ceiling on Administration cannot. In addition, the relief from the need to prorate Participant Support activities between the two categories would reduce accounting problems which are likely to increase rapidly with each cost prorated between categories. State regulations will contain the final word.
3. Most SDA and state level central office activity must be classified "Administration" but some centrally performed activities may qualify as "Training" or "Participant Support." Administration costs include all "Grant Recipient" and "Administrative Unit" functions of the SDA or State JTPA Agency including general administration, program planning, financial management, program monitoring, fiscal management, audit and support for the functioning of the PIC

or SJTCC councils. In addition, "Administration" includes certain services to the program such as management information systems, labor market research, public relations and what has come to be termed Employment Generating Activities. (JTPA Regulations Sec. 629.28). However, certain centralized activities that support participant services can be classified as "Training" as is discussed immediately above. In particular, these include Job Development in all of its aspects of selling the program and its participants, and services to employers, and Job Counseling and Assessment in all of its aspects of recording information about participants and controlling the management of their cases.

4. Administration costs cannot exceed 15% of most JTPA funding allocations throughout Titles I, II-A, II-B, and III, with certain limited exceptions. The exceptions are mainly in the areas where the exercise of statewide responsibilities is involved and probably represent no more than 10% of the JTPA funding total. These exceptions are:
 - a. State Responsibilities, Section 121 and 122.
 - b. State Education Grants, Coordination Portion, Sec. 123 (c) (2) (A).
 - c. State SDA Incentive Grants, Sec. 202(b)(3) to the extent these are used for technical assistance to SDAs rather than Incentive Grants to SDAs.
 - d. National Dislocated Workers, Sec. 301(a).
5. Administration cost ceilings are controlled at the level of the local SDA or State Grant Recipient and can be "pooled" among the various JTPA funding categories and projects. This means that the level of administration must balance out in total but not necessarily in each contract or even a funding category. For example, a surplus in Title II-A can be balanced against a deficit in Title II-B. (JTPA Regulations Sec. 629.39(g).) Therefore, the administering authorities of the SDA or State may set the level of "Administration" costs allowable to each contract based on a judgment of how best to ration out what is available in total. Generally, a contractor will have less than 10% to work with but might have more depending on the priorities set.
6. Administration costs can be charged directly or indirectly as in other programs in accord with the standards of standard Federal management practice discussed earlier in this chapter. However, the existence of a valid rate does not mean that it can be honored given the cost ceilings.

Participant Support Costs

General: Participant Support Costs are payments made to participants or are made for the benefit of participants to aid their participation in the program. Within a very cramped level of expenditure, local SDAs are permitted broad latitude to design the use of such funds within three types of expenditures: Wages for work in Work Experience, Needs-based Payments to participants to aid their participation, and Supportive Services purchased on behalf of the participants. The Limitation on Participants Benefits is expressed in negative terms rather than as a direct ceiling. The net effect is that Participant Benefits will normally be limited to 15% of most Funding Allocations with some exceptions. Where the 70% minimum for Training is exempted, such as in Summer Youth Employment, then Participant Benefits may expand to any proportion of expenditure. The Act also contains specific conditions and procedures for requesting a waiver from the governor. The specific rules are as follows:

1. Wages paid for Work Experience must be at least the Minimum Wage and no more than the prevailing wage for the work performed. (JTPA Sec. 142(a)(3).) One can assume a strong presumption that wages paid will be at or near the minimum wage without fringe benefits despite the language requiring "all individuals employed in subsidized jobs shall be provided benefits and working conditions... as other employees working a similar length of time and doing the same work." (JTPA Sec. 143(a)(4).)
2. Work Experience costs will be charged to the Participant Support costs based on the following distinctions.
 - a. General Work Experience will be charged at 100% of Participant Support. The work may be full-time without the requirement for part-time training or limitation on the length of time of participation.
 - b. Limited Work Experience will be charged 50% to Participant Support and 50% to Training. Such a program must meet the standard of JTPA Sec. 108(b)(3) which requires that the Work Experience be part-time as part of a total program in which training is also provided and in which participation would not exceed 6 months in duration. The most favorable interpretation of this requirement will be that only 50% of the cost of the Work Experience wages need be assigned to Participant Benefits and that any remaining costs which qualify as "Training" could be so classified.
 - c. Neither the Act or the JTPA Regulations specify that training staff of a Work Experience program need be charged to Participant Benefits. It is assumed that education and skill instructors, work leaders, slot and job developers and project directors and administrative

staff should be charged to "Training" as is appropriate under the criteria in the JTPA Regulations, Sec. 629.37. This ruling should be sought from state officials.

3. Work Experience is limited in terms of duration by various options in the Act. Provisions in the Act implying total flexibility on program details may make these provisions only suggestive unless tied to some specific funding requirements.
 - a. Work Experience under "Entry Employment Experience" is limited to 20 hours per week during school periods and 500 hours total duration. (JTPA Sec. 205(d)(2).)
 - b. Limited Work Experience is to be part-time and to last no more than 6 months and preclude the participant's enrollment in any further Work Experience. (JTPA Sec. 108(b)(3).)
4. Needs-Based Payments may be made to help an individual meet expenses relating to participation based on locally developed formulas applied to individual participants. (JTPA Sec. 204(27).) The statute is no more specific and the JTPA Regulations provide only that payments be provided to individual participants where such payments are "necessary to enable individuals to participate." (Sec. 629.21).

There is no requirement that such payments be made at all. The implication is that states may go not much farther in prescribing requirements than the specific limitations below. (Further considerations on needs-based payments will be discussed in Chapter V.)

- a. States must prescribe documentation required on the format and procedures for determining the amount of payment (629.21(b).)
 - b. Programs (both SDA and State administered) must maintain an individual record of the determination of the need for and amount of any payment (629.21(c).)
 - c. Needs-based payments must be reduced pro-rata for absences in accord with the requirement that "a trainee shall receive no payment for training activities in which the trainee fails to participate." (JTPA Sec. 142(b)(1).)
5. Supportive Services can include nearly any service necessary to enable an individual to participate and for which the individual cannot afford to provide for himself. The suggestive list in the Act (Sec. 204(27)) includes transportation, health care, special services for the handicapped, child care, meals, temporary shelter, financial

counseling and other reasonable expenses. Usually these services are provided through payment directly to a third party vendor.

6. All programs must insure participants for treatment during participation through Workers Compensation insurance, self-insurance, or other health and accident insurance. It is assumed that this cost should be logically chargeable to the program as a Participant Benefit, but might also be considered Training by some states because it is a mandatory cost in training.
7. There is no limitation on Participant Support as such: The 15% regularly available for Participant Support may be supplemented by an underexpenditure below 15% for Administration. The two categories are to be controlled together and the sum is not to exceed 30%. If the 70% minimum for Training is waived, then Participant Benefits can increase without limit.

Provisions for Waiver of the Participant Support Limitations:

Section 108(c) sets forth a procedure for individual SDAs to request waivers from the governor. The governor Must grant a waiver if the conditions are met; however, it is clear from the criteria that some judgement will be required to set criteria to evaluate the request. The requirements for the waiver are as follows:

1. Justification for the Waiver must be in one or more of the following:
 - a. The unemployment rate in the SDA area is 3% over the national average and the proportion of government employment in the area is higher than the national average.
 - b. A disproportionate number of high risk people will be served who will require exceptional supportive service costs. Examples of such people are handicapped people, offenders, and female heads of households.
 - c. 50% of Participant Benefits are being spent for child care.
 - d. 33% of Participant Benefits are being spent for transportation.
 - e. A substantial portion of participants are enrolled in training programs lasting over 9 months.

2. Preconditions for approval of a waiver are as follows:

- a. Administrative costs must be in line with 15% ceiling.
- b. Support Services costs paid by the program must not duplicate those available free in the community.
- c. The request must be submitted as part of a plan (or modification) reflecting the revised expenditure level.
- d. Area must not request reduced performance standards as a consequence of the change.

Implications for Community Agencies of Cost Limitations

In conclusion, the issue of the cost ceilings is considered to be among the most important restraints on program decisions. Its impact will be important to the program, but may not be crucial to individual agencies. The impact will be strongest on individual participants who will not get an adequate training allowance or will not have a Work Experience program to meet their needs. The need for and requirements for the waiver on Participant Benefits should be clear in the mind of all PIC members. Agencies that have a separate source of funding for their administrative costs such as the United Way or Community Services Block Grant may find the "Administration" cost restrictions only an irritant. A community college district may find it quite easy to live with the "Training" cost requirement because its administration and facility costs are covered by a tax levy. But the State JTPA Agency, SDA Administrative Units, and many small agencies, particularly alternative schools, OICs, Urban Leagues, etc., may find it very hard to live with.

For these reasons it will also be important to be alert to the manner in which the state exercises its authority in enforcing the cost ceilings. It will be important to work with the governor, State JTPA Agency, and State SJTCC council to ensure that the implementing State JTPA Regulations do not narrow what flexibility is available in the Federal JTPA Regulations and in fact confirm and clarify it wherever possible. The governor should be encouraged to be supportive of applications for waivers and even share state JTPA funds to ease local administrative burdens. (California is an example of a state which has taken such action.)

For PIC members and community agencies, it will be important to be aware of the discretion of local JTPA authorities to allocate the available "Administration" and "Participant Support" funds. The SDA has considerable flexibility in setting the amount available to individual projects. A flat rate for all projects may seem initially attractive, but it must be remembered that agencies have different needs and present different opportunities.

Community agencies should also be prepared to advocate for favorable state administrative rulings with respect to the classification of "Training" and "Administration" costs. They should also advocate clear and attainable standards for the waiver of limitations on Participant Benefits authorized in Sec. 10(c). Such questions may be of only limited interest to most PIC members and JTPA administrators, but favorable treatment of these issues may open the way for establishment of programs with Work Experience and for greater participation of more disadvantaged groups.

SECTION E: Authorized Activities - Definitions

Background

The drafters of JTPA in Congress were clearly of a divided mind on the degree to which they wished to dominate actual program planning and implementation. In passing JTPA, many in Congress were motivated by a sense of disillusionment and unease with the existing employment and training programming under CETA. They were out to accomplish a reform of what seemed somehow an undisciplined, high-cost program. But there was a profound disagreement over exactly what was wrong and how much was wrong. The liberal program defenders felt CETA was potentially alright and just needed some administrative tidying-up. The conservatives felt those who planned JTPA were wasteful and off-target and those who received JTPA services were in it for the wrong things. In the spirit of the times, however, both the liberals and conservatives believed that local planning was better than centralized direction and that flexibility was a virtue as long as the right people were running things.

In the resulting compromise Sec. 108, "Limitations on Certain Costs" restricted administrators in the amount they could draw from the program for "Administration" costs, and restricted program participants in the amount they could receive as living expenses or earn as wages. On the other hand, in Sec. 204, "Use of Funds," Congress bent over backward to authorize anything and everything that had ever been tried or proposed in employment programming including Work Experience, but excluding the much maligned Public Service Employment. As a consequence, Sec. 204 contains a list of 25 activities, which seems to cover everything with some duplicates thrown in for good measure, and also includes permission to do anything else necessary so long as it does not violate the law. Section 205, Exemplary Youth Programs, adds to this list with more enumerated which are mostly programmatic arrangements of activities already authorized, but with a few unique provisions. Section 108(c) also describes a specially treated combination of services which has come to be called "Limited Work Experience." This part and the two to follow it will thoroughly discuss the "JTPA program menu" authorized by those sections of the Act.

Definition of Eligible Activities (JTPA Sec. 204)

It is important for those new to employment programming, and indeed all concerned with implementing JTPA, to know what this long list of potential activities really means. This knowledge may stimulate creativity as well as reduce confusion in the dialogue on program alternatives. It should be realized that many of these terms are not subject to very rigorous definition and indeed some simply constitute "putting old wine in new bottles." The paragraphs below cover each and every authorized

activity listed in JTPA Sec. 204 under the same numerical designation as in the statute. They identify what has been customarily provided under that service or activity, its inter-relationship to other activities on the list, relationships to other sections of JTPA, and some considered opinion on its importance as a potential element of JTPA.

1. Job Search Assistance. This service consists of instruction in the techniques of finding a job and access to various types of help in making a job search. The emphasis here is usually on self search by the participant with help from the program to build skills and facilitate the effort. Instructions consist of such topics as labor market trends, occupational information, setting goals, reading want ads, using the transportation system, filling out job applications, interviewing effectively, etc. Aids to job seeking often include access to a computerized job listing system (Job Bank), solicitation of special openings by a job development unit, and providing funds for transportation, clothes, tools, etc. A currently popular approach is a "job club" in which participants share information, encouragement and feedback with each other. The success of this program is largely dependent on a sufficient level of resources and motivation among the trainees as well as opportunities in the labor job market. Therefore the program is particularly suited to older displaced workers with skills, work history, and knowledge of various job requirements.
2. Job Counseling. This service is a broad catch-all of activities that might include job search assistance, but which emphasizes problem solving and goal setting with the client in either an individual or a group setting. A key component is exploring job motivations, aspirations and requirements so the appropriate job will be sought. Such efforts may be built on a vocational assessment of greater or lesser complexity including testing for aptitudes, achievement and interests. Counseling also involves discovering and exploring personal and attitudinal problems which are disfunctional in training or employment situations. Some time ago, employment programs reduced the levels of one-to-one counseling of psychotherapeutic type in favor of group counseling techniques and behavior modification through interaction with the controlled environment of the classroom or work experience site. Nevertheless, there remain two irreplaceable functions for job counseling in any comprehensive, participant centered program: First is "Case Management" in which a staff member (counselor, job developer, etc.) assumes central responsibility for dealing with the participant and provides consistent, fair but firm treatment of the decisions on a participant's enrollment, assignments, transfer, and termination. Second is "Employability Planning" which involves systematically considering and formally setting down the participant's objective for being in the program, the problems to be solved, the

capabilities to be achieved, and the occupational goals to be pursued. These crucial responsibilities give "Job Counseling" its enduring place in any program.

3. Remedial Education and Basic Skills Training. In employment programs, these "basic education" services ought to be carefully planned and goal-directed to contribute to improved employability in a direct way. (They should not simply increase knowledge for general purposes.) Given the widely variable but generally low achievement level of employment program clients, a program providing such services will offer a wide-spectrum, highly individualized approach generally using tutorial methods, facilitated by modern "programmed" instruction, and guided by diagnostic testing and detailed individualized planning. Instruction will generally be required on the following levels based on client capabilities and program objectives:
 - Basic survival skills for those of low base achievement level and learning capacity in which elementary math and reading skills are developed to deal with the basic situations of work, seeking employment and consumer survival.
 - Specific trade-related instruction where because of low entry achievement levels and/or very limited instructional time in the program, education is tightly directed toward such immediate work skills as measurement, change making, or job figuring.
 - Certification attainment -- particularly High School Equivalency Test passage for those participants with sufficiently high entry achievement levels and learning capacity that a relatively small amount of highly planned instruction will prepare the participant for a certification examination. The High School Equivalency (GED) exam is only the best known example. Other relevant certifications might include the driver's license exam, occupational licenses exams or the Armed Forces Qualification Test.
4. Institutional Skill Training. This is training in specific occupational skills conducted in school (or "institutional") setting on a curriculum based on the general needs of occupation but not the specific needs of a particular employer. Such training was part of the backbone of CETA and its predecessor acts. It is synonymous with what was called "classroom training" under CETA, but it also includes training in all kinds of other controlled, educational "laboratory" settings from school shops to internships with employers. Essentially, such training is provided in three forms, all of which can be very important modes in a local Job Training Plan.

- Class sized training organized and contracted for whole class units usually with a fixed starting and ending date and specific class members identified at the beginning.
- Multi-occupational training is often provided at a "Skill Center" dedicated to special job training or as part of the functions of an area vocational school. Typically, such a center might offer four to six occupations which are in fairly constant demand in a local labor market (for example, clerical, welder, auto mechanic, etc.) Usually such facilities operate on an "open entry/open exit" basis in which teaching is individualized so that trainees can constantly enter and leave throughout the year. Some students remain longer than others to make up for slower learning speed or to finish at a higher skill level.
- Individual referral training is obtained from the existing offerings of all available training institutions in the area: area vocational schools, community colleges, private proprietary schools, etc. Contracting for such training is on a case by case basis based on individual participant needs identified in employability plans.

While institutional training must probably remain a staple of the job training mix of the future, its role is limited by the standards of JTPA Sec. 141(d) which requires "training shall be only for occupations in demand in the area" or in industries which have a "high potential for sustained demand or growth." The number of such occupations is usually limited. Many of the occupations in demand cannot be readily reproduced in the laboratory because of the equipment or other factors involved. Others require higher levels of general educational development that is found among eligible applicants.

5. On-the-Job Training (OJT). OJT is training provided by employers at their business site in which the trainee may be fully utilized in profit-motivated production process while the trainee is being instructed in performing the job and is reaching full proficiency through experience. OJT also must include Job Development to sell employers on the program and to execute contracts for payment. OJT instruction consists of "showing and correcting" and simple practice, but an employer might use educational methods of classroom and laboratory instruction as well. The commitment of the employer is to not only provide training, but to also permanently employ all those trainees who successfully complete the training period. Therefore, OJT can be also considered an employer hiring subsidy as well as actual training. JTPA Sec. 141(g) continues the stipulation in the CETA regulations that payment to employers not exceed 50% of the wages paid to the trainee which is to be "deemed to be in compensation for the extraordinary costs associated with

training... and for the costs associated with the lower productivity of such participants." However, if additional training in the classroom was needed, the added cost might be separately budgeted and classified as "Customized Training" (see No. 28). Historically, the length of training has been guided by a formula based on skill level codes in the Directory of Occupational Titles, but there are no guidelines for negotiation under JTPA in either the statute or the regulations. (Typical contracts under CETA averaged about 12 weeks and ranged from 4 to 26 weeks, but could be much longer if indicated.) A typical administrative arrangement for OJT was to establish a master contract to a local development agency which in turn, sold the contracts to employers. This created a highly flexible system in which an employer could contract for as few as one trainee under a very simple subcontract with the OJT development agency. OJT has wonderful advantages because of its high job placement rates and low cost per placement. Its principal limitation is employer reluctance to become involved, particularly larger employers which often have the best jobs. Moreover, because the participant is really becoming a trainee-employee, the employer will usually be quick and selective. Nevertheless, OJT should become a major component of JTPA limited only by its acceptance in the market.

6. Programs of Advanced Career Training. Such programs would be a comprehensive mixture of basic education, higher education, training and work experience discussed elsewhere in this section directed at the attainment for a middle level professional/technical "career" position such as nurse, medical technician or one of a number of newly created or specially designed paraprofessional positions. What seems authorized is a recreation of the "New Careers" programs of the sixties or the more extensive long term programs formerly provided to welfare recipients under the Work Incentive Program (WIN). By definition, such programs will be long and costly and difficult for a low income person to survive through their one to two year duration. Creativity will be required to build in income producing work either through JTPA paid Work Experience or internships paid by employers.
7. Training Programs Operated by Private Sector Business, Labor Unions or Nonprofit Service Agencies. This variety of "skill center" could provide combinations of skill training, basic education and related services (described elsewhere in this section) which are planned, operated and administered by the particular industry-group for which the training is intended. Examples are found nation-wide in such facilities as building-industry, apprentice training centers, banking-industry institutes, medical center nursing or technician training schools, ship-building craft centers, etc. Where such centers do not exist, they might be formed with the

encouragement of local PICs. Excellent training and linkages to real job opportunities may result, but the language of the JTPA Sec. 204 requires that clearly, "demand must exceed supply" for such workers so that placement is highly likely at the end of training.

8. Outreach. This function includes those measures to make the availability of the program known to its planned beneficiaries and to attract and facilitate their application for program services. Many of the approaches employed under CETA and its predecessors may also be applicable to JTPA: media and newspaper ads, posters in the community, inter-agency referrals especially from the Employment Service, outstationed representatives at neighborhood centers and service agencies, and nonprofessional field workers working the streets of the low income community. Outreach can be seen as a tool to accomplish the service delivery targets of the program in three aspects: (1) ensuring sufficient applicants meet gross enrollment levels, (2) encouraging appropriate applicants seek out the program, that is, those eligible, able to benefit and interested in the services actually available (as required by JTPA Sec. 141(a), and (3) encouraging a sufficient mix of applicants so that those served will be broadly representative of the age, sex and racial/ethnic mix of the eligible population (as required by JTPA Sec. 141(a)). Therefore, under JTPA, Outreach could be both a more and less important service. Being a smaller, less comprehensive program, JTPA will not need hordes of applicants. On the other hand, to fill the more specialized, demanding opportunities likely to be available under JTPA may require the attraction of large numbers of certain kinds of applicants to obtain its proper number and mix of trainees.
9. Specialized Surveys. Such investigation would include surveys of "labor market information." In its broadest sense this includes information on the occupational/industry profile of the community (how many jobs in major occupations, how many in each industry, and projected future replacement needs), employer manpower needs and attitudes toward employment services, and population characteristics of the unemployed or high need groups. Much such information is either unobtainable (e.g., every job opening in the community) or may already be available from the large body of data already collected. This statutory section (JTPA Sec. 204(g)) confines surveys to those which do not duplicate "labor market" information already available, and surveys must be paid for from within the very pinched 15% administrative cost ceiling. Nevertheless, some limited special survey may be in order, specifically surveys to explore in detail priority areas of the labor market or to identify specific employers with high training needs.

10. Programs to Develop Work Habits and Obtain and Retain Employment. This service somewhat overlaps No. 1 above but differs from it by implying the provision of a substantial training and remedial program building capacity to adjust to and hold a job rather than just providing help in the job search. Such a training program might last 8 to 16 weeks and include intensive work on attitudes and human relations, role playing in interviews and work situations, labor market information and vocational exploration. Such a service might be less viable by itself and most useful when combined with Work Experience (No. 15), Basic Education (No. 3) and Job Placement.
11. Supportive Services. JTPA Sec. 4 (24) defines these as "...services which are necessary to enable an individual to participate in a training program funded under this Act. Such services may include transportation, health care, special services for the handicapped, child care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program." While the statute goes on to say these services may be provided in cash or in-kind, it would seem best to distinguish these services from Needs-based Payments (No. 27) by confining this term to those items provided in-kind or through third party vendor payments to participants. However, regardless of how defined, these expenditures must fit into the cost ceilings of JTPA Sec. 108(b) which put the 30% cap on administration and payments to and on behalf of participants. Part of authorizing language of Sec. 108(11) provides specific approval to sustain these services for up to six months after the completion of training when the participant is either seeking employment or making the initial adjustment to the job (a distinct liberalization over CETA provisions). The most vital areas of concern might be considered to be transportation to the job and child care while in work or training. Low income people also suffer many other obstacles to employment such as poor eyesight, hearing, minor physical impairments, emotional problems, substance abuse, legal entanglements, credit problems, etc. Finally, case management/follow-up assistance is needed to trouble shoot, define needs, seek out resources and manage JTPA payment where necessary. With imaginative staff work and good inter-agency coordination, many of the above needs should be met without use of JTPA funds, often with the help of such agencies as Welfare and Vocational Rehabilitation.
12. Upgrading and Retraining. Such services focus on the needs of currently employed or long-employed workers. "Upgrading" consists of advanced training to move an employed person from a low paying job to a higher paying job. Often an additional rationale has been the opening of new entry level jobs to needy people, but the complex arrangements to guarantee such an outcome usually proved elusive in

practice. Upgrading also has problems finding fully-employed "trainable" workers who are also disadvantaged. "Retraining" is the provision of training to those currently employed and about to be laid off or already laid off and who are unlikely to find alternative employment in their current field. The Title III program makes such groups eligible and targets services on them.

13. Education to Work Transition Services. The focus of such services is disadvantaged high school students or recent school leavers. Services are designed to minimize any period of unemployment between school and work by increasing capability and motivation to seek employment and special help in securing it. Therefore, from a service standpoint, this activity will consist of a combination of Job Readiness Training (No. 10), Job Search Assistance (No. 1), Job Development (No. 18), and Job Placement. Examples of such programs include "70001," and Jobs for America's Graduates (or any of a number of similar programs in other states).
14. Literacy Training and Bilingual Training. Such training involves prolonged (6 months or more), intensive 50-100% time) language training, usually to the exclusion of any other training. Several systems exist for rapid Literacy Training for English speakers with no existing reading ability. Some gain can be produced with trainees of normal intelligence, but insufficient time is usually available to reach the 4th or 6th grade level required for much of any skilled training. English as a Second Language (ESL) has been a particularly important service for refugees and other immigrant groups. However, at some point after the arrival of such groups, many people begin to pursue such training as an avenue of cultural improvement rather than job seeking. At such a point, a long, expensive ESL program may produce relatively few job placements.
15. Work Experience. This service consists of the provision of paid work for purposes of training in work habits, attitudes and skills. Up to now, it has been one of the most prevalent approaches particularly to meeting the needs of youth and the most disadvantaged participants. Customarily, Work Experience has been provided in two ways: (1) on a kind of "guest worker" basis in "work sites" in governmental or private, nonprofit agencies, and (2) on "work crews" established for the purpose of training participants while performing community improvement projects or even paid contract work. (There are pros and cons to each alternative). Trainees are paid the minimum wage or slight increments to it. Hours can be from 10 to 40 hours per week, but the best approach is probably to create a mixed program in which the Work Experience is combined with Basic Education (No. 3), Job Adjustment Training (No. 10), or Skill Training. Such an approach is greatly favored by the regulations (see below in Section V. C.). Good Work Experience teaches people how

to work and provides a laboratory to try out and practice new knowledge, skills and behavior in an accepting, reinforcing environment with second chances for transgressions. Under very ideal circumstances some saleable skills can also be learned or perfected on the job. A collateral function is evaluation of the trainee in a real work situation to discover attitudes, application, work tolerance and skills. No other experience with the participant is as revealing to a trained observer. Finally, Work Experience has been a useful method of providing participants with an earned living allowance to support them during training as well as a "holding mechanism" to keep the trainee involved while job placement efforts are being completed. JTPA Sec. 108(b) discourages Work Experience by including it in the 30% cost ceiling on Administration and payments to or for participants. However, the meaning of Sec. 108 may not be as restrictive as it appears at first and there are important provisions for waivers. Before abandoning this program option to expediency, those concerned with JTPA should study the analysis of Sec. 108 to follow.

16. Vocational Exploration. This is a type of expanded vocational guidance which is directed at expanding the occupational knowledge of people inexperienced in the labor market -- particularly high school students or dropouts -- in order that they may make more rational choices of vocational goals and become more enthusiastic and confident in their pursuit. Services consist of classroom readings, lectures and field trips on occupations, vocational aptitude and preference testing and actual hands-on experiences often including "work sample testing" systems in which a compact period trainees can try out the tools and processes of a particular occupation and receive a grade on proficiency. Other kinds of exploration might include a short (1-2 day) exposure to the training laboratories of various occupations offered at a "skill center", or have actual short-term assignments with an employer. Such a combination of experiences might be best used as the basis for the preparation of a formal assessment summary and Employability Plan (such as discussed above in No. 2). Vocational Exploration services are probably relatively useless unless they are coupled with action services directed at job preparation and placement, for example, Skill Training, Job Adjustment Training, Work Experience and, of course, Job Development and Placement.
17. High School Equivalency (GED) Test Preparation. Training for the High School Equivalency Test should be considered to be an optional part of a strong Basic Education component (No. 3 above). Obtaining this certificate can open many jobs requiring a high school education and can open access to higher level training offered in community colleges. However, it is no guaranteed job placement in itself, and therefore, might be considered a distraction for a program directed at some highly specific vocational objective.

Likewise, for a participant with a low academic achievement level, obtaining the certificate might take more service time than an employment program has to offer. For those trainees who need the equivalency and have an appropriate entry level (6 to 9 grade), a well developed technology exists to move them fairly quickly (3 to 6 months) to a level of proficiency where passage is fairly certain. This consists of an initial diagnostic test capable of identifying reading and math achievement levels and areas of specific deficiencies (the California Achievement Test has been used successfully for this purpose). The diagnostic findings are then used to design an individualized plan of programmed instruction and tutoring. (No group lectures or attempt to duplicate a high school curriculum is advisable.) Once passage norms are obtained on progress tests, a trainee can be counseled on the "tricks" of test taking and reasonably expected to pass the test. Unfortunately, passing may only be the first step to obtaining a salable skill in some poor labor markets. Therefore, "GED preparation" should not be considered a viable isolated service, but must be tied into Skill Training and Job Placement.

18. Job Development (and placement). This service includes locating appropriate jobs and convincing employers to accept applicant referrals from the program or to become involved in more intensive ways such as actually conducting training. As in business, it is the vital sales force which keeps orders flowing. Many different ways can be found to accomplish this task, but it is most effective when a competent individual, specializing in the activity or dedicating substantial time to it, making personal calls with employers to establish trust, working relationships, and to directly solicit the order. Under some circumstances phone solicitation can also be effective. Supplementation by advertisement, community-wide public relations campaigns and volunteer pledge drives can greatly increase overall staff effectiveness. Job Development should not exist by itself, but rather must be likened to a training or counseling service since the "stock in trade" of the job developer is a client who is either "job ready" or at least a known quality. Job Placement is the related activity in which job orders, want ads, or vacancy notices are connected with appropriate applicants. For example, the Employment Service has systems for collecting job orders, making them known to potential applicants. (In larger localities, these have been modernized through the use of computerized Job Banks.)
19. Employment Generating Services. These activities are not a service to participants, but rather activities supported with JTPA employment and training funds to make more jobs available to community and population to be served without necessarily receiving a specific job order from the employer who creates them. Such services might include various Economic Development measures to sell the locality to

business or government as a place to have local employment generating activities. Other activities might include meetings and advertising campaigns to create an awareness and acceptance of JTPA among employers. Such activities must come from the 15% administrative cost sector of JTPA expenditure and, therefore, may be severely constrained by the limited amount of such funds. Likewise, it would seem that such services would have a low priority in most plans unless the community or the JTPA program was suffering such severe acceptance problems that an attack on them became an overwhelming priority.

20. Pre-Apprenticeship Programs. Such programs consist of skill training and perhaps basic education and counseling provided to persons about to begin a formal apprenticeship program. They are to some extent necessary because most apprentices must begin work before "supplemental trade instruction" begins and must struggle along on the job until sufficient learning has occurred to become fully accepted. They are justified only where new disadvantaged groups, minorities and women are being brought into apprenticeship and the program will facilitate their success. Such programs have often been conducted in connection with "home town plans" for the integration of the construction industry. Under current circumstances, construction industry programs may not be justified because of the extremely high unemployment rates among existing workers in that industry.
21. Disseminating Information on the Program to Employers. This activity is best considered a component part of Job Development (No. 18) or Employment Generating Services (No. 20) and as such really need no special authorization. Nevertheless, by including it as a special section, Congress possibly expressed a desire to see information and outreach efforts for employers as an explicitly planned element of the JTPA program.
22. Use of Advance Technology. This is not an activity, but simply an equipment and supply procurement policy. Effective Skill Training and Basic Education programs should constantly be open to and test out emerging instructional technology as they plan and execute their operations. However, Congress seems to be providing specific authority to do so should some higher authority oppose the adoption of advanced technology. However, the fact remains that such technology is a means rather than an end and must be evaluated for cost benefit before it is purchased.
23. Development of Job Openings. This activity is simply Job Development (No. 18) by a different name.
24. Industry Specific Training Program Supporting Economic Development. Apparently these would be training programs tailored to meet the needs of specific industries and are

considered to be important to area's overall economic development strategy. From a technical service standpoint, such programs would include elements of Skill Training (No. 4), On-the-Job Training (No. 5), Training in Private Sector Facilities (No. 7), and Customized Training (No. 28). In this case, Congress seems to be encouraging a linkage with Economic Development activities long encouraged in employment programs, but especially sought in JTPA. Illustrative examples might be a "high technology center" to serve or attract an electronics industry or "medical technology academy" near a major medical complex. While such training need not rest on firm employer commitments to hire specific graduates, it ought to be planned and operated with heavy involvement of the target industry. If training is directed at future anticipated demand, PICs should be aware of JTPA Sec. 141(d) which requires training be given for occupations actually "in demand in the economy" and Sec. 141(c) which prohibits training "to assist in relocating establishments from one area to another" where such relocation increases unemployment in that area.

25. Follow-up Services with Participants Placed in Unsubsidized Employment. Such services might be considered to begin with sustained efforts to successfully place participants after the completion of training and continue after job placement to combat the many problems that typically cause low income people to fail in employment (which are usually more significant than insufficient skills). Usually, such services are provided by program staff such as counselors, nonprofessional aides, or job developers. They can be supplemented by volunteers and greatly enhanced by sympathetic cooperation from employers. Follow-up is in a sense a Supportive Service as authorized in No. 11 above which authorizes the extension of such services for 6 months after the end of training. However, for official budgetary purposes, follow-up should be kept separate and should be considered an adjunct to Job Counseling (No. 2) so that it does not count against the restrictions of JTPA Sec. 108(b) which restricts the combined amount of administration, Needs-based Payments, Work Experience Wages and Supportive Services to an uncomfortably low level. While follow-up has long been advocated by many professionals, it has often been abandoned in the face of budgetary constraints, misunderstanding with employers, and the natural inclination of staff to focus on current trainees rather than past graduates. In JTPA follow-up could be increasingly important. The Performance Standards in JTPA Sec. 106(b) will be in part expressed in terms of "retention in unsubsidized employment" as well as just placement. Moreover, the Private Industry Council may succeed where others have failed to enlist the cooperation of employers in the follow-up process.
26. Coordinated Programs with Other Federal Employment-Related Activities. This is not a special activity as such but

simply another reinforcement from Congress of the strong emphasis on coordination and joint activity in the Act. This section authorizes funding joint activities; many other sections require coordination such as JTPA Sec. 121(b)(1) which requires the governor to issue Coordination Criteria for JTPA with other Federally-financed training which are to be enforced in all local SDAs; JTPA Sec. 501 which requires joint planning between the Employment Service and JTPA Agencies; JTPA Sec. 123(a)(2) which provides special support for coordinating programs between education and training.

27. Needs-based Payments Necessary to Participation. These are payments directly to JTPA program participants by the JTPA program to aid participants in meeting necessary living expenses during participation (which will replace the flat "training allowances" provided under CETA). These are best distinguished from Support Services (No. 11) by the fact they are paid directly to a participant rather than to a service provider. The amount is to be determined "in accordance with a locally-developed formula or procedure which might take into account such needs as food, rent, utilities, transportation and spending money for incidentals." The total amount will be held down by the provisions of JTPA Sec. 108(b) which restricts the combined amount of Needs-based Payments, Work Experience Wages, Supportive Services and Administration to 30% (an uncomfortably low level given past experience). On the other hand, this section and the remainder of JTPA make no positive requirement that a Needs-based Payment be provided. Dealing with this question will probably prove to be among the greatest policy challenges facing local PICs and JTPA as a whole. It will be discussed in detail below in Chapter VII, Section B.
28. Customized Training for Employers. This is another specialized type of Skill Training distinguished by being conducted on a tailor-made design to fit the needs of a particular employer or group of employers which is justified by the commitment of the employer "to employ an individual upon successful completion of that training." Such training might be provided by the employer on its own site with its own staff or might be provided by a training agency of the employer's choice or agreement using a curriculum developed or approved by the employer. Inevitably, since a commitment to hire is involved, the employer will usually insist on final selection of trainees from among eligible applicants. In the past, employers have been reluctant to engage directly in publicly supported training because of the usual availability of a surplus of qualified applicants in recently slack labor markets, the reluctance to deal with the outside constraints on hiring imposed by the Federal eligibility requirements, and finally, the reluctance to take on the challenge of executing the program when faced with other more pressing business concerns. These difficulties can be overcome by the provision of substantial

development and support services by the local PIC staff. Or they can be overcome by the efforts of community training agencies to act as intermediaries to help design the program, complete proposals and contracts and assume a substantial operating role in recruiting trainees, conducting training and rendering supportive services. Such programs have the compelling advantage of providing the firmest link with final employment, but suffer from the disadvantage of front-end employer selectivity and the lack of a general shortage of interested employers.

For the community agency seeking to participate in JTPA or the PIC member considering plans, the preceding section indicates that there is extremely little of traditional employment and training activity that cannot be done under JTPA (other than Public Service Employment). The real constraints are to be found in how the cost limitations apply and the general low level of funding.

SECTION F: Limited Work Experience -- JTPA Section 108(b) (3)

Significance of this Specially Recognized Program

Somewhere between the "rock" of JTPA Sec. 204(15) which defines Work Experience as an authorized activity and the "hard place" of Sec. 108(a) which defines Work Experience as a "Participant Benefit" rather than "Training" and which limits Participant Benefits to 15% of the expenditure lies JTPA Sec. 108(b) (3) which opens a small escape hatch. This opening is a program approach combining Work Experience with Training and other activities which permit Work Experience to be included in the program on a somewhat more favorable basis under certain specific conditions. With characteristic economy of expression, the JTPA Act refers to this as "work experience expenditures meeting the requirements of paragraph (3)." Subsequently, the JTPA Regulations Sec. 629.38(a) gave it the name, "Limited Work Experience."

Essentially, this program approach requires that Work Experience be combined with other training activities already authorized under Sec. 204 such as Literacy Training (Basic Education), Skill Training and Job Search Assistance. It also requires that enrollment be for a limited duration not to exceed six months and the concession granted to such a Limited Work Experience program is that 50% of the cost of such Work Experience can be counted as "Training," thus outside the cramped Participant Benefit account.

This Limited Work Experience may be a real help to those trying to design a viable program within the framework of the cost ceilings, but it may be equally important for symbolic reasons. By establishing Limited Work Experience as an officially sanctioned approach with slightly more favorable treatment, Congress has acknowledged that Work Experience does have an appropriate place on the program menu and, as such, should be seriously considered for inclusion in all local SDA programs. The Exemplary Youth Programs also include Work Experience in their program approaches mainly for younger youth, but Limited Work Experience is not limited as to age. For a Congress predominantly hostile to anything that resembled public employment in the employment and training act, this provision was an important acknowledgement of a legitimate role for Work Experience even if the Endorsement was tucked away in an unnamed provision in the middle of a section on cost control.

Many PICs will tend to ignore Work Experience because of the discouraging provisions of the Act and the predominant opinion that it is either ill-advised or out of style. Therefore, this manual is highlighting this provision to make sure that it does not get lost because of its obscure location away from main

authorizing language for program activities. Moreover, from a practical program standpoint, this manual favors combining Work Experience with other forms of basic "pre-vocational training" or skill training. The rationale for this opinion is discussed in the section on Work Experience in the preceding part of this chapter describing authorized activities. The conclusion is that Work Experience can be fruitfully combined with other training activities because they mutually reinforce each other and may be more economical and more effective than pure training in some cases.

Provisions for Limited Work Experience

Qualifying Requirements: JTPA Sec. 108(b)(2) sets the following specific requirements for a "Limited Work Experience" program to qualify for "50% training classification."

1. Limited Enrollment: A participant can be in such a program no longer than six months and cannot be enrolled in such a program again after its completion.
2. Enrollment in Other Training Required: The participant must be simultaneously participating in "classroom or other training but the mix of time is unspecified. Enrollment could be part-time such as 50/50, 75/25 or some other mix of work and training. The mix could be by daily, specified days within a week, or by alternating weeks. Usually, it would be expected that the other training would be in the basic pre-vocational area such as Basic Education, GED preparation, work adjustment skills or elementary vocational skill training.
3. Program must be preplanned: The statutory language requires that the classroom or other training portion be "specified in a pre-employment contract or meet established academic standards." As a practical matter, the "pre-employment contract" probably means that the program is arranged as part of what is usually termed an "employability plan" in which the participant and job counselor agree on the conditions for participation in the program. These should be individualized to some degree for each participant and contain such limits as the length of enrollment, requirements to attend class (on an unpaid basis) and objectives for enrollment in terms of skills and behaviors sought and occupational objective. The alternative requirement to "meet established academic standards" probably indicates that any college or vocational school enrollment will satisfy the requirement for participation in a training activity.

4. Wages must not exceed prevailing entry-level standard in area: Most programs would most likely pay the minimum wage for the hours worked rather than attempt to pay a comparable entry wage.

Implications for Community Agencies

The Limited Work Experience program is suggested as a possible high priority concern for community agencies. Under this banner, community agencies could develop innovative high quality programs containing Work Experience to serve disadvantaged youth or problem adults. For example, this model fits the characteristics of a Cooperative Education Program for youth who need that service but could not find the unsubsidized employment required in that model. Another example might join an "alternative school" in the morning with work Experience in the afternoon. This might be much more attractive to alienated youth than simple school participation. To get such a program considered is likely to require real advocacy on the part of the community agencies because with tight funds, business representatives and JTPA staff are likely to consider Work Experience a low priority or a legal impossibility.

SECTION G: Exemplary Youth Programs -- JTPA Section 205

Significance: These special programs for youth are best understood as an explanatory and even inspirational supplement to Sec. 204 authorizing the basic JTPA activities. They take virtually the same elements of service discussed above and organize them into program models considered appropriate for in-school and younger youth. In origin, the section is a compromise remnant of the original House of Representatives Bill reforming CETA, which contained a separate title for youth with required program designs and a separate funding allocation. The section was designed to incorporate into the statute the most attractive portions of the Youth Employment Demonstration Program Act (1978 CETA Amendments). In the final House-Senate Conference, a separate title and funding for youth programs was rejected in favor of a 40% requirement for youth service in Title II-A and the retention of the program designs as the "exemplary" models described in Sec. 205. The intention of Congress was clearly stated in the Conference Report*.

The funds available under Title II may be used to provide eligible adults and youth with the same activities. Specific youth activities are authorized as an option to the general activities which provide model programs developed on the basis of experience in previous youth demonstration programs. Nothing in this optional list of programs should be construed as mandatory or as limiting local flexibility to adapt the programs to local conditions...

However, Sec. 205 does have both specific and general policy importance. In terms of specifics, Sec. 205 contains the following unique provisions:

1. In the operation of "Education for Employment Programs," a policy is established giving "priority in the selection of service providers" to previously funded in-school and community based organization projects which are both cost-effective and of demonstrated success. (JTPA Sec. 205(b)(4).)
2. Service to 14-15 year olds is specifically authorized in the "Pre-employment Skills Program" (JTPA Sec. 205(c)(1)) which is the only place other than Title II-B, Summer Employment, where service to youth under 16 is authorized. Conversely, the existence of this program makes it clear that 14 and 15 year olds are not to be enrolled in any youth work experience other than summer youth employment.

* See House Reports: No. 97-537 accompanying H.R. 5320, No. 97-889 (Committee of Conference).

3. Authorization is given for a program of "Tryout Employment at for-profit worksites" which is the first time in employment program history that legislative permission has been given for "work experience" in the private sector other than the rigid OJT format and the elusive experiments with "nonproduction vocational exposure" (JTPA Sec. 205(d)(3)). Equally important from the standpoint of this provision's success is the provisions of JTPA Sec. 108(b)(2)(B) that allow these costs to be classified "Training" rather than "Work Experience."
4. Total hour limitations are set on training and Work Experience for in-school youth, although it is not certain how legally binding these limitations are since the statute says each model "may be modified to accomodate local conditions."

In general, the existence of Sec. 205 provides a strong official endorsement of the appropriateness of employability development programs for younger youth. This policy confirms the establishment of special performance standards for youth that are measured in terms of competencies gained and other favorable outcomes rather than just job placement (JTPA Sec. 106(b)(2)). While the youth programs described are really only rearrangements of services authorized elsewhere (with the exception of the "for-profit tryouts"), their inclusion in the Act make them part of the official JTPA program menu. They constitute official suggestions to all local PICs as to how to meet the 40% youth service requirement and, therefore, are worthy of serious consideration everywhere.

Community agencies dedicated to serving youth or concerned about youth services can use Sec. 205 as a "hand hold" from which to pursue the development of youth programs in JTPA. And where they have successfully run such programs in the past, community agencies have a strong presumptive right to run them under JTPA. At some point in the future when JTPA might be expanded toward prior levels of activity, community agencies might successfully advocate earmarked funding for Sec. 205 programs.

Definitions of Additional Activities, Especially for Youth --
(JTPA Section 205)

The brief descriptions below define the five basic program approaches authorized as Exemplary Youth Programs using the same format and objectives as were used above to discuss the activities authorized under Sec. 204. It is hoped this discussion will add to clarity to the dialogue on alternatives under JTPA.

1. Education and Employment Programs (JTPA Sec. 205(b)). The services provided in this program are essentially "Literacy Training" and training for "Attainment of Certificates of High School Equivalency" which are authorized in Sec. 204.

What seems specifically authorized here are special "alternative schools" or other non-traditional "learning centers" for school dropouts in which remedial education and certification objectives can be pursued without a strong orientation to specific skill training or vocational education. Operators of existing successful programs are to receive preference for operating such programs under JTPA, but this is more of a suggestion than a legally enforceable presumptive right. Achievement of measureable educational "competencies" is desired and may be required.

2. Pre-employment Skills Training Program (JTPA Sec. 205(c)). This is a preparatory classroom training program designed to impart vocational knowledge, job seeking, and job holding skills in up to 200 hours of instruction (perhaps the equivalent of a high school elective). Enrollment is specifically limited to 14 and 15 year olds with priority to youth who do not meet established levels of academic achievement and who are likely to drop out of school. The services suggested are a full menu of the "pre-vocational" elements listed in Sec. 204 from assessment, vocation exploration, remedial education, to job search assistance. This program, where available, is also to be used as a qualifying step for any in-school work experience (Entry Employment Experience).
3. Entry Employment Experiences (JTPA Sec. 205(d)). This approach provides part-time jobs during the school year (maximum 20 hours per week) and full-time jobs during vacations with total hours limited to 500 per person. The jobs pay the minimum wage and generally are provided on a guest worker basis at a work site. Participants are not supposed to have worked more than 250 hours on a recent job. Usually, the work experience will take place on work sites in public or private nonprofit agencies on an individual basis. There is supposed to be "maintenance of standards for attendance and work performance," but staff effort is unlikely to be available to assure that this occurs. This program will be prone to suffer from the defects of its predecessors, particularly weak supervision on work sites, and consequently, a weak relationship to any growth in competency. In terms of cost categories, this program will be classified as "Work Experience" and therefore at least a portion of the wages it pays will have to be termed "Participant Support" and count against the 15% ceiling. However, because the program is to provide part-time work with school, there is a chance it could be classified as "Limited Work Experience" and be only charged 50% to "Training."
4. Tryout Employment at for-profit work sites (JTPA Sec. 205(d)(3)(B)). This is a newly authorized approach which allows youth (age 16-21) to be assigned to a for-profit employer for up to 250 hours of what amounts to On-the-Job

Training (see discussion of OJT in the preceding parts). In contrast to OJT, however, apparently no employer contribution to wages is required and no contract seems required. Wages could be paid directly by the program or reimbursed 100% to the employers. Finally, another key advantage of this approach is that such payments are classified as "training" for purposes of the JTPA cost ceilings (JTPA Sec. 108(b)(2)(B)) even though they may in reality be a payment to a participant. The only requirement for the jobs is that they "be ones for which the participants would not usually be hired (because of lack of experience or other barriers to employment)." This is really exactly what is expected of OJT anyway. The employer is not required to make a contractual commitment to hire, but the staff will no doubt wish to secure such at least an understanding in most cases. If the participant is not hired at the end of the period, he is simply not to be replaced by another subsidized trainee.

5. Entry Employment Experience - Cooperative Education (JTPA Sec. 205(d)(3)(C)). This approach authorizes the use of Cooperative Education, a long established in-school vocational approach in which students are placed in a part-time unsubsidized employment related to their school training. The cost of such a program would be the co-op instructor-placement coordinator plus other minimal instructional costs. These costs could all be classified "training." Where part-time jobs exist in the community and disadvantaged youth can successfully compete for them, then such a program could be highly desirable. Subsidized "Tryout" or OJT employment might be very appropriately used here to attack labor market barriers where the goal is to secure unsubsidized jobs for the youth.
6. School to Work Transition Assistance Program (JTPA Sec. 205(e)). This approach focuses Occupational Information, Job Search Assistance, and Job Placement Services on youth who are leaving school (graduates or dropouts) to facilitate their successful entrance into the labor market. (It is similar in concept to approaches used to assist adult displaced workers, but the target group in this context is those students leaving high risk, low income schools.) The competency objectives involved include achieving realistic occupational objectives, mastering job search and job application techniques. Students can be greatly aided by linkage to back-up support systems available under JTPA, such as subsidized placements through OJT "Tryout" or Entry Employment Experience. Many may need further training through JTPA Skill Training, Job Corps, or Education Grants for vocational training. All these activities have the advantage of being classifiable as "Training." Programs such as this may be extremely attractive to local PIC members. The program will produce both identifiable "competencies" as well as produce some job placements. Therefore, it will be

accountable and rewarding. A major reservation in this approach is that it will divert resources to persons who may only slightly need the service and away from those most in need.

CHAPTER IV -- Minimum JTPA Standards for Planning and Performance

SECTION A: Specific Standards Governing JTPA

As has been discussed previously, the JTPA legislation offers great difficulty in determining what precisely must be done: What is proper and appropriate from a program services standpoint, how exactly it must be planned, and what must be accomplished. Flexibility is a key objective of the JTPA legislation and from the administrative posture of the Labor Department and Administration. The standards of the Act for planning and programming are quite general. The reasoning behind this policy is the assertion that the program will be governed by demanding performance, but what performance is also somewhat open. This chapter will identify as much as possible of what must be done in terms of program content and accountability.

In this sense, these standards are like a modern building code which does not tell one the kind of nails or width of timbers to employ but instead specifies the carrying load of the structure. This is a generally progressive arrangement that essentially expands the locally-based planning approach begun under CETA. Such authority and flexibility puts a great responsibility on the state JTPA committees and the local Private Industry Council and their staff to be conscientious, fair and effective. It also puts a great burden on those outside these officially responsible bodies to be knowledgeable about the rules and vigilant that they are observed. There is a minimum of specific legal provision on which to draw and a maximum need for positive program ideas and program criticism which will impact on program performance. The sum of these requirements is quite limited. Board members, community agencies and, possibly, dissatisfied program participants, will have to be well-informed, imaginative and tenacious if they expect to impact the program.

The provision discussed in this chapter are for the most part scattered among six major sections of the Act:

- Section 104, Job Training Plan.
- Section 106, Performance Standards.
- Section 107, Selection of Service Providers.
- Section 141, General Program Requirements.
- Section 143, Labor Standards.
- Section 144, Grievance Procedures.

These provisions are best seen as accomplishing three main functions in regulating the program.

1. Establish the minimal ground rules for the planning process which encourage, if not ensure, the integrity of the planning process.

2. Establishing a general concept of what the program seeks to accomplish for participants in terms of the kind of training and services to be offered, but with few specific requirements or standards.
3. Establish procedures for setting specific levels of performance that the program must deliver in terms of number of persons placed per dollar expended, the percent placed of those leaving the program, and average entry wage of those placed. The specific level and format of these standards are set subsequently by the Federal officials of the Labor Department and modified by the governor of each state.

The following discussion will show how the Act accomplishes each of these functions to make the program accountable to higher authorities and local citizens.

SECTION B: Planning Process Requirements

The Job Training Plan

Importance of the Plan: The foundation of a JTPA program with a strong chance for success is a soundly conceived, well developed plan. A well organized plan document is also the basis for JTPA accountability. There are no detailed Federal implementing regulations to which interested parties can go to determine what is authorized in the program. The Federal regulations do not constitute a set of operating rules which can complete a sketchy local plan by inclusion by reference. In a real sense, what can be done under JTPA is what is contained in a legally prepared official "Job Training Plan" approved by a legally constituted PIC, the appropriate local elected officials and the state Governor.

There is no complete unified list of requirements for the Job Training Plan in the Act or the DOL's JTPA Implementation Regulations. Appropriate standards must be assembled from within the various provisions of the Act or deduced from the logic and customary practices of employment and training programs. The Governor and State JTPA Agency interpret what are the minimum requirements of the JTPA Act and communicate these to the local SDA in their official planning guidance. These are controlling legal documents for each state.

Since the planning instructions from the statute and Federal regulations are extremely limited and many states provide limited planning guidance as well, the internal standards of the local PIC may be extremely important to what is finally produced as a plan. What will be prepared will, to a large degree, be determined by what a local PIC and the local elected officials will accept from their staff.

For those attempting to pursue their rights to participate in JTPA as a service provider or a service recipient, the official Job Training Plan will be their only guide to what is actually to be done in their SDA area. Therefore, community agencies should support a strong, well-defined local planning process and thoroughly developed plans. Well-developed plan documents will allow outside review and criticism which will permit the correction of obvious flaws and inequities before damage is done. Explicit plans provide the best basis for constructive criticism and resolution of problems.

Standards for a Complete Plan: JTPA Sec. 104, Job Training Plan, provides a very terse itemization of the contents of the plan, and the JTPA regulations go no further to fill in the gaps as to what is an adequate plan. Therefore, a model plan outline has been developed for this JTPA Manual (Figure 6). Its contents

have been assembled from the requirements of the JTPA Act or deduced from the logic of the current training program technology. No doubt, few, if any, local plans will look exactly like this model, but its elements fully encompass all the legislative requirements and all the elements of a program's responsibilities under JTPA. Its provisions should be studied as a standard for determining a Job Training Plan's relative completeness or as a guide to how to locate some area of concern in a Job Training Plan. The following discussion covers each requirement of Section 104(b) and suggests how it should be fulfilled at a minimal and complete level.

1. Identification of who will run the program including the Administrative Entity and the Grant Recipient and how the PIC will be formed and operate. See JTPA Guide #1 for a thorough discussion of the organizational alternatives. See Figure 6, Section 1, for model section outline dealing with "Administrative Arrangements."
2. Description of the services to be provided including how long courses and services are to last and cost per participant. The full implications of this key section is outlined in Section 3 of Figure 6. Thorough planning requires a consideration of all of these program elements even though they may not all be provided. Thorough planning requires a unified design concept such as outlined in Section 2.f of Figure 6.
3. Procedures for identifying and selecting participants involves an operation mechanism for dealing with applicants (Section 4 of the outline) and also involves working with applicants to determine their goals, suitability for training and the total sequence of training and supportive service to be provided (Section 3(b)). Thorough planning also involves positive planning for equitable service as discussed in this Guide (Section 5(a) of the outline). Thorough planning requires consideration of the groups having separate performance standards (youth, adults, welfare recipients) and other significant groups such as displaced workers, older workers, refugees, migrants, etc. It also involves consideration of geographic and community equity, particularly among concentrations of low income minorities.
4. Performance goals must be set in accord with JTPA Sec. 106. The content of these goals is brief (Section 5(a) of the outline), but establishing a sound plan to meet them requires detailed planning, estimating who is to be served (since goals differ by youth, adults and welfare) and the projected contributions of each program element to meeting the goal. Performance standards are discussed later in this Guide.

5. Procedures to select service providers consistant with JTPA Sec. 107 which take into account past performance, fiscal accountability and ability to meet performance standards (Section 6 of the outline). Sound planning requires an open, well publicized procedure, a fair evaluation of the program performance in the prior years. Procedures and standards for selection will be discussed later in this chapter.
6. The budget must be prepared for two years and be in sufficient detail to determine compliance with Sec. 108, cost limitations; that is, that administration, supportive services and training costs can be clearly identified. The implication of this requirement and that for the description of services is that a list of costs by major services, service components, need to be identified on a line item basis as shown in Section 7(a) of the outline. Sound planning will require not only an allocation to services, but also a scheduling of expenditures through time so that the accumulation of unexpended and unprogrammed funds can be identified. Procedures and schedules will be particularly important given the happenings of a two year program period. Criteria should be built in for what level of changes require a formal plan amendment as well as an anticipated point when a mid-term reprogramming would be undertaken.
7. Methods to comply with the Governor's Coordination Criteria (Section 8 of the outline). Thorough execution of this coordination agenda will have to be developed step by step over time but it requires that the JTPA program be broad-minded in its planning focus and alert to the requirement to integrate its services with a broader community system. Because of the limitations on JTPA funding, it will not be possible to provide as comprehensive services as under CETA which will intensify the need for coordination. The Governor is specifically authorized to disapprove any plan which does not meet the state's standards (JTPA Sec. 105(b) (1) (E)).
8. Provisions for coordination with other SDAs in the labor market area or in adjacent areas. Joint planning is required to assess needs and coordinate job development and employer contact activities. Access is also to be "assured" for residents of one area in the training programs of another area (a provision that may be quite complicated to implement).
9. Procedures for fiscal control including accounting, audits and debt collection (see Section 10). A thorough plan would include the provisions required by JTPA Sec. 141(i) to monitor the performance and administration of contractors and the procedures for taking action against abuses. The Governor is specifically authorized to disapprove any plan deficient in these areas.

10. Procedures for keeping program records so that an annual report can be submitted to the Governor on the activities conducted, participant characteristics, and the results achieved in terms of the National Performance Standards (Section 11). JTPA Sec. 165(c) explicitly requires a management information system with a participant and financial tracking capability and quarterly reporting.

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FIGURE 6

OUTLINE OF A MODEL JOB TRAINING PLAN
FOR A LOCAL SDA AREA
AS DEDUCED FROM THE JTPA LEGISLATION
AND THE CURRENT TECHNOLOGY OF JOB TRAINING PROGRAMS

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1. Administrative Arrangements in the Service Delivery Area:
 - a. Grant Recipient and Administrative Entity: Identity, organization/staffing role/responsibilities.
 - b. Private Industry Council: Composition, role/responsibilities, staffing and procedures for operation.
 - c. Appropriate Chief Elected Officials: Identity, role/responsibilities, Intergovernmental Agreement to fulfill their role in the "Partnership."
2. Program and Labor Market Strategy:
 - a. Analysis of current conditions in the labor market.
 - b. Identification of priority economic sectors based on high potential for sustained demand or growth (Sec. 141(d)) and receptivity and cooperation of the affected enterprises.
 - c. Identification of priority occupations for training based upon expanding demand, size of demand, attainment of standards for entry wage, compatibility of occupations for career objectives of participants, compatibility with training facilities and cost ceilings.
 - d. Procedures for PIC Certification of all training as "in accordance with guidelines established by the Private Industry Council."
 1. Review of level of skill for "occupation skill training" (JTPA Sec. 107(d)).
 2. Establishment of "recognized employment competencies" to be developed in pre-vocational training for youth (JTPA Sec. 106(b) (2) (A)).
 - e. Analysis of Training and Employment Needs and disadvantaged unemployed people, the significant segments of this population and their barriers to employment.

FIGURE 6 (continued)

- f. The Overall Program Strategy to begin development of the JTPA program in the SDA including:
 - 1. Procedures to assess applicants, assign them to training and provide for needs in training, and the approach to continuity of service, if any.
 - 2. Areas of emphasis in training (by occupation and economic sector) and priority services.
 - 3. Strategy to develop and provide training and obtain services by type of provider.
 - 4. Overall program organization and, if appropriate, program flow.
- 3. Description of Services to be Provided:
 - a. Outreach and Intake of Participants (see related plan in eligibility determination, No. 4 below).
 - b. Participant Service Planning/Case Management. Assessment of training needs and ability to benefit, assessment of supportive services needs, assignment to services, calculation of "needs-based payment", transfer/termination procedures and responsibilities for job placement followup.
 - c. Pre-vocational Training - Youth: Services provided, average and maximum length, capacity in slots and annual number served.
 - 1. Exemplary Program: Work Experience/Classroom Training.
 - 2. Exemplary Program: In-school employment transition services.
 - 3. Exemplary Program: Employment Tryout with for-profit employer.
 - 4. Basic Education/GED Preparation.
 - d. Pre-vocational Training - Adult: Includes description of services, length of enrollment, capacity in slots/total served.
 - 1. Work Experience (only to extent allowed by Sec. 108(a) or 108(b) (3) "Limited Experience" unless waiver is requested).

FIGURE 6 (continued)

2. Basic Education.
3. Job Readiness/Job Seeking Skills.
- e. Skill Training: (with services, length, capacity of each).
 1. Classroom training occupations.
 2. On-the-Job Training: marketing/brokering arrangements, cost limitations, contract format, standards for length, reimbursement, etc.
 3. Customized training for specific employers: amount reserved for employer proposals, cost/slots allowed, targeted occupations/industries.
- f. Job Development/Marketing Training Services.
 1. The overall marketing strategy: priority occupations, industries, geographic areas, etc.
 2. Personnel, responsibilities, agency roles.
 3. Integration or coordination with Employment Service, Area Job Bank, other agencies doing placement, and neighboring SDAs.
- g. Support Services:
 1. Needs-based payment format, procedures, eligibility. (This replaces former CETA training allowances.)
 2. Arrangements to ensure nonduplication of Unemployment and Welfare benefits.
 3. Supportive Services directly provided by JTPA. (Transportation, Counseling, Medical Services, etc.)
 4. Other supportive services available through welfare and related agencies.
4. Eligibility Determination and Acceptance for Service:
 - a. Administrative responsibility for certification of eligibility.

FIGURE 6 (continued)

- b. Arrangements to notify interested potential participants of available services (public information).
 - c. Arrangements to equitably apportion service opportunities geographically and by significant population segments.
5. Performance Goals. These goals must be stated in the categories of the National Performance Standards as adapted by the governor for use in the state and for the specific SDA. The level of performance must equal the National Standard or waiver must be requested from the governor.
- a. Service Goals by Target Groups:
 - 1. Adults: Total Served, Total Terminations, Entered Employment Rate, Cost/Entered Employment, Average Entry Wage.
 - 2. Youth: Total Served, Total Terminations, Entered Employment Rate, Positive Termination Rate (includes "entered employment" plus other positive outcomes as determined by the PIC), Cost/Positive Termination.
 - 3. Youth Competency Goals adopted by the PIC.
 - 4. Welfare Recipients: Total Served, Entered Employment Rate, Cost/Entered Employment, Average Entry Wage.
 - b. Total Service Level: Number Served, Terminations Entered Employment, Employment Rate, Cost/Entered Employment.
 - c. Justification of Waiver of National Standards (if applicable).
 - d. Average Entry Wage.
6. Selection of Service Providers.
- a. Procedures:
 - 1. Schedule for Selection (will probably be after plan submission).
 - 2. Method of Selection: Open request for proposals; limited solicitation of proposals; negotiation or other methods.

FIGURE 6 (continued)

3. Lists of Service Providers already designated, if any, and their roles, budgets, summaries of objectives.

b. Evaluation of Past and Potential Service Providers:

1. Past performance; quality and relevance of service; cost of service; placement rate and other outcomes.
2. Agency facilities, staff, services, curriculum, etc.
3. Alternative existing facilities offering the same services including employment service, education agencies and community agencies with prior program experience and existing capability.
4. Agency fiscal and administrative capability.

7. Budget: Two year period at level of detail required by the state and for compliance with Sec. 108, Cost Limitations.

a. Cost by Operating Unit (sample list):

	<u>Training</u>	<u>Admin</u>	<u>Support Services</u>
1. CEO/PIC Support		XXX	
2. Planning/Evaluation		XXX	
3. Administration		XXX	
4. Participant Payment Systems	XXX	XXX	XXX
5. Service Programs		XXX	XXX
6. Training Programs (Classroom, OJT, Custom, etc.)	XXX	XXX	
7. Youth Programs	XXX	XXX	
8. Job Placement/Marketing	XXX	XXX	

- b. Criteria for Performance Based Contracting: Advances to Contractors, Reimbursement, Formulas for Partial Payments.

- c. Schedule of Costs by Month by Program Component: Procedures for monitoring program expenditures and for reprogramming unexpended funds in a timely fashion throughout the two year period.

- d. Procedures for Reprogramming Funds: Reprogramming after first plan year; reprogramming at other intervals.
 - e. Any Request for Waiver of Cost Limitations on supportive services and client payments permitted by JTPA Sec. 108(c). This requires joint petition to governor from both the PIC and CEOs with appropriate justification.
8. Coordination Mechanisms under Governor's Coordination Criteria: must describe coordination relationships with Related State Agencies, state-level JTPA Programs and other programs and systems specified by the Governor.
- a. Employment Service: Unemployment Insurance/Job Service.
 - b. Welfare: Public Assistance and Supportive Services.
 - c. Vocational Rehabilitation.
 - d. Vocational Education Agencies: Area Vocational Schools, Community Colleges, etc.
 - e. Local Education Agencies (secondary schools).
 - f. Apprenticeship Training Agencies.
 - g. Regional Planning Agencies and Economic Development Agencies.
 - h. State-level JTPA Programs: Displaced Worker, Older Worker, Education Grants, etc.
 - i. Other related services to be utilized if possible and not duplicated without justification.
9. Coordination Mechanisms with Adjacent SDAs in Labor Market (if any):
- a. Assessment of common areawide needs and areawide labor market opportunities.
 - b. Methods to enable participants to take advantage of training opportunities in other SDAs throughout the labor market (such as buy-in arrangements).
 - c. Areawide job placement mechanisms (such as exchange of job orders and participation in Employment Service Job Bank).

10. Financial and Administrative Management Systems:
 - a. Organizational Responsibility and Staffing in SDA.
 - b. Accounting and Internal Control Standards: banking, contracting, advances, reporting, disbursements, etc.
 - c. Eligible Cost Standards/Expenditure Control.
 - d. Audit Procedures: Internal and Subcontractor.
 - e. Audit Clearing, Collection of Debts, Contract Cancellation.
11. Management Information Systems and Reporting to the State:
 - a. Basic Program Data Systems.
 - b. MIS Responsibilities, Personnel, Systems.
 - c. Format of Annual Report to Governor. Profile of activities and expenditures; participant characteristics; actual performance in relation to performance standards; narrative of problems and achievements, self appraisal.

Standards for a good plan: To a large degree, a good plan is a complete plan conscientiously developed by staff with clear policy guidance from the PIC and with careful review of the completed document by the PIC, the appropriate Local Elected Officials and State JTPA Agency (see Volume I, pages 4-43 to 4-48). However, the good plan must have substance to fill out its form. The most important element is a sound approach to job training that will improve the capacities of participants and get them jobs. Good programming is discussed in the next two chapters (V and VI) and in the concluding case studies of actual programs in Chapter VII. However, in advance of that technical discussion, there are some broader concepts that must be developed.

A good JTPA plan is an excise in rational strategy development. The plan is a strategy to help people improve their qualifications and employers to meet their labor force needs. Therefore, a plan must be built on a sound appraisal of the local labor market, the needs of the target populations, an imaginative and effective labor market strategy, and an application of sound human service technology. Section 2 of the model plan outline suggests the major topical areas of such strategy. Pages 105-123 discuss the JTPA standards for planning.

A good JTPA plan is also an excise in value choices. The core purposes of JTPA as formulated in the statutory provisions below contain a number of objectives which are inconsiderable tension among each other and the Act does little to prioritize.

- JTPA Sec. 106(a) defines the purpose of the program to be (a) an increase of earnings and (b) of employment and (c) a reduction for individual participants.
- JTPA Sec. 141(a) requires that those served be (a) the most able to benefit of those in need and that (b) services be equitably proportioned among substantial segments of the population.

These standards are brief and ambiguous but profound in their importance. It means that alternatives should be formulated and decisions made, but many of these are balances to be struck rather than hard and fast, exclusive choices. For example, the objective of getting the most people jobs at the lowest cost is somewhat contradictory to pursuit of high entry wages and occupations with career potential. Occupations with the most demand may be low wage and dead end. Therefore, in many cases, no clear cut choice can be made -- as for example between those "most in need" and "able to benefit."

Instead, a conscious balance is needed to decide how much of both objectives are to be pursued and using this decision to guide the selection of alternatives. Without information and analysis and value choices, decisions on the plan will be at best uninformed guesses and at worst political favoritism.

Finally, a good plan should contain an overall program approach and statement of priorities. This may or may not be in the form of a unified comprehensive program design in the form of earlier client-centered systems. More likely, it is a mix of approaches dealing with different target groups or approaches to employer involvement. However, what is needed is a general statement of principles and priority balances which in turn is reflected in the program approach formulated in a simple and direct statement of what is to be done. Such a formulation can then be debated by all the membership of the PIC, community agencies and other interested parties. It can be tested against the standards of JTPA, its own value choices, and community concerns.

The Planning Process

Fair and Open Planning: There is no general requirement that the JTPA planning process be fair and open, but there are many specific requirements that can be used to ensure such qualities. Some of these require vigilance and specific action by interested parties to guarantee such a result, because neither the Department of Labor or the Governor have much authority to design and ensure the integrity of the planning process. Nevertheless, the safeguards that do exist can be sufficient if there is sufficient interest in the planning process to demand access and fairness. The specific standards and mechanisms of the statute are as follows:

1. Agreement on the planning process is required between the PIC and the Appropriate Elected Officials (JTPA Sec. 103(b)(1)(A)). The PIC and Elected Officials must agree on planning procedures and, therefore, are mutually responsible to each other and the public for the integrity of the planning process. Community Agency complaints can be brought to appropriate elected officials if necessary.
2. The Job Training Plan must be made public for review and comment both in draft and final form. JTPA Sec. 105(a)(1) requires a draft plan to be made available 120 days before the plan is to become effective (this would be late February). This plan must be published at least in summary form and it must be made available, at a minimum, to the legislature, interested agencies and affected labor unions. Provisions must also be made to make the plan reasonably available to the general public. JTPA Sec. 105(a)(2) requires the final plan to be similarly published but there is no distribution required. It is also implied that mechanisms are required for receiving and considering comments on the plan.
3. Plan amendments are required which circumstances require a substantial deviation from the approved plan (JTPA Sec. 104(c)). These amendments are subject to review under the same procedures under JTPA Sec. 105, including publication

and comment, as the original plan. (It might be anticipated that every two year Job Training Plan will most likely require at least one and perhaps more Plan Amendments, particularly between the first and second years when under expenditures are likely to require substantial reprogramming.)

4. State or Local Open Meetings Laws may apply to the proceeding of Private Industry Councils, but there is no Federal provisions ensuring access of interested parties to PIC deliberations.
5. Conflict of Interest is to be controlled on the PIC by the prohibition against any PIC member voting "on the provision of services by that member (or any organization that member directly represents) or vote on any matter which would provide direct financial benefit to that member" (JTPA Sec. 141(f)). Such provisions will not prevent members from influencing other members during the deliberations before voting. Therefore, some PICs may wish to establish detailed standards for disclosure of "conflict of interests" and participation in deliberations. However, it does not seem possible to exclude all persons with interests in service delivery from participation. This has worked to further narrow the representation of the community agency point of view.
6. Selection procedures for providers must be spelled out as part of the plan (JTPA Sec. 104(b)(5)) and these must conform to JTPA Sec. 107 standards. No specific procedures are specified (such as an open procurement process), but considerations of merit and program policy are to be paramount. (These criteria for selection of providers are discussed in the following subsection.)
7. Joint approval of the Job Training Plan is required locally. The plan prepared by the Administrative entity or other designated body and developed under the policy direction of the PIC, must in turn be approved by the Appropriate Local Elected Officials in accord with the process agreed to in the partnership agreement organizing JTPA planning and administration in the SDA (JTPA Sec. 103(d)). Parties interested in affecting the plan can contact either the PIC membership or the appropriate Elected Officials or both.
8. The Governor is responsible for final approval of the Job Training Plan or amendment and provides a "court of appeal" for interested parties; the Department of Labor is not involved in local plan approval (JTPA Sec. 105(b)). The Governor must approve a local SDA plan except under specifically defined circumstances or a violation of the law. "Community Agencies" or other "interested parties" may

"petition for disapproval" and must receive a response from the Governor in 15 days if they have established "standing" to make a complaint (JTPA Sec. 105(b)(3)). Parties can qualify as "interested parties" if they represent a substantial client interest, have utilized available comment or grievance mechanisms on the matter, and their objection to the plan is based on an alleged violation of the law.

9. Grievance Procedures are required for each Administrative Entity in an SDA (JTPA Sec. 144) and are available to participants, contractors or other interested parties. An unsatisfied complainant can appeal the question to the Labor Department if the matter has not been decided in 60 days or a violation of the law is alleged.

The approval provisions provide the framework for ensuring fair treatment to participant interests and interested parties in the planning process. Few specific requirements or definitions are given for what is fair and legal, but the opportunity to participate and carry forward a complaint is considerable for those with the resolve and knowledge to do so.

Standards for Selection of Service Deliverers: JTPA contains a number of standards by which to judge the actions of the PIC, Governor and others in selecting service providers, including Sec. 107 specifically on that subject and other miscellaneous sections scattered throughout the Act. The essential general principle is that service providers are to be selected for their ability to deliver effective program services and meet administrative requirements rather than political or other types of favoritism. There are no presumptive service deliverers in the Act. On the other hand, the burden of proof is placed on the PIC or the state if certain kinds of existing facilities or agencies in the area are not used. The specifics are as follows:

1. Primary consideration in selecting service deliverers in Service Delivery Area shall be;" (JTPA Sec. 107(a)):
 - a. Effectiveness of the agency or organization in delivering comparable or related services based on demonstrated performance.
 - b. The likelihood of meeting goals for performance, cost or quality of training and participant characteristics.
2. Discrimination is prohibited against individuals on the basis of race, color, national origin, religion, sex, age, handicap or political affiliation (JTPA Sec. 167). Complaints on these grounds can be taken directly to the Labor Department or Federal, state or local civil rights enforcement agencies. Whether these protections also apply to would-be service deliverers is not exactly clear, but it might be tried if it seems appropriate.

3. Selection procedures must "take into account:"
(JTPA Sec. 104(a)(5))
 - a. Past performance in job training or related activities.
 - b. Fiscal accountability.
 - c. Ability to meet performance standards.
4. Existing facilities or agencies must be be given due consideration to a greater or lesser degree:
 - a. Community agencies must be given "proper consideration as service providers" (JTPA Sec. 107(a)).
 - b. Previously-funded community agencies (such as alternative schools or CETA Title IV contractors) which are considered effective and successful "shall be given priority in the selection of service providers for Education for Employment Programs" (JTPA Sec. 205(b)(1)).
 - c. Appropriate education agencies in the SDA shall be provided the opportunity to provide educational services, unless the administrative entity demonstrates that alternative agencies would be more effective (JTPA Sec. 107(c)). It should be noted this does not specify public secondary school, college or vocational districts exclusively, but would include all existing agencies.
 - d. Existing facilities or services in an SDA are to be used ("not duplicated") unless the administrative entity demonstrates that alternative agencies or organizations would be more effective (JTPA Sec. 107(b) and 141(h)).
5. "Commercially available training packages, including advanced learning technology, may be purchased at off the shelf prices without requiring a breakdown of cost components (training vs. administration) if such packages are purchased competitively" (JTPA Sec. 141(d)(3)). (The applicability of this provision is unclear.)
6. Surprisingly, there are no explicit preferences for private employers as training providers in JTPA. The spirit of JTPA in this respect is reflected through inclusion of a number of examples of such programming in JTPA Sec. 204, "Use of Funds," and in the guaranteed majority of business representation on the local PICs and State SJTCC.
7. No provisions of JTPA directly address the Governor's obligations to observe such standards for selection of service deliverers in state-level JTPA programs such as

Title III, Dislocated Workers, and Sec. 124 Programs for Older Workers. The governors have standards for making contracts for such assistance as part of the Governor's Coordination and Special Services Plan. (See JTPA Guide #1 for an outline of a complete Governor's Plan.)

No specific selection procedures is required such as, for example, that procurement standards be adopted modeled on Attachment O to Federal OMB Circular, A-102. Instead, it seems that State and local JTPA authorities should be urged to adopt a selection procedure built on these elements:

1. A thorough inventory of existing community resources including the capability and performance of agencies previously operating under CETA, and such major agencies as the Employment Services, Community College and Area Vocational Schools. The inventory of capability and facilities should also extend to all Community Agencies previously involved with employment and training. This knowledge of existing community resources must be demonstrably applied in selection of service providers.
2. Submission of thorough proposals and agency information from applicant agencies to permit a judgment to be made on program and administrative capability.
3. Regular evaluations of the performance of current contractors in order to demonstrate relative ability to meet objectives and performance standards.
4. The adoption of an open proposal and provider selection process. Any process of non-competitive selection of service providers by JTPA officials should be able to demonstrate that relative effectiveness and competence were the basis of provider selection.

The above standards can be used by PIC staff and board to evaluate their own efforts. They can also be used by community agencies and groups representing participant interests to ensure that they have received fair treatment in the selection of service deliverers or the selection of program approaches needed for their constituency. If challenges of the procedures and results of a planning process are to be made, they should be based on these standards. The best use of these standards will be to ensure dialogue and interaction in the design and planning process to make sure the best effort is made to be fair and conscientious before the fact rather than after positions have been set and funds allocated.

Finally, special note must be made of the absence of standards for the review of planning process for the preparation of the Governor's Coordination and Services Plan and particularly for the state-level JTPA operating programs such as Title III,

Displaced Workers, and Section 124, Older Workers programming. JTPA does not bind the governor to the requirements for fairness and the other standards of purpose. If patterns of discrimination and arbitrary favoritism develop, aggrieved parties will have no recourse but to complain to the Governor under the state grievance procedures required by JTPA Sec. 144. Appeals on adverse rulings can be made to the Labor Department if no action is taken on an appeal or a violation of the law is alleged to exist. Such appeals will be complicated by the absence of mention of standards for the Governor in JTPA. Generalizations from the standards for SDAs might be applied, but that is not clear. The Labor Department has set few standards in the JTPA Regulations for the content of the Governor's State Plans.

SECTION C: Standards for Training and Service for Participants

As has been stressed repeatedly throughout this discussion of JTPA program requirements and standards, the Act prescribes no specific activities to be conducted. Instead, it has general requirements for the organizational and planning process, some specific cost restrictions on expenditure coupled with a broadly permissive authorization of activities. There are two control mechanisms to keep the program on the track. The major mechanism is the Performance Standards which require clearly defined quantitative levels of output at no more than a specified cost per unit. These Performance Standards will be discussed in the concluding section of this chapter.

This section will deal with what is required in the substance of program training and program services to participants. Very few of these are specific program requirements. Some of them are simply basic Federal law, such as the nondiscrimination and the Davis-Bacon Act applicability. The criminal penalties for fraud and abuse are unique to JTPA but will have minimum program impact. Most of the very specific program requirements govern the extent and manner in which people can be employed in the course of the training (provisions governing on-the-job training, work experience and labor standards) or govern how employers may be involved in training.

The standards governing training and other services for participants are very broad goal statements put in very general terms, unsupported by definition, and devoid of any substantive criteria for their evaluation. For example, training is to be only for occupations "in demand" in the local labor market, but demand is nowhere defined. An "effort shall be made to develop programs which contribute to occupational development." A local program "shall make efforts to provide equitable services among substantial segments of the eligible population." With respect to occupational goals and maximizing benefits to participants, all that is required is that "an effort shall be made to develop programs that contribute to occupational development." In terms of providing balanced enrollment, all that is required is that a program "shall make efforts to provide equitable services among substantial segments of the population" with no requirement to even identify what the substantial segments are and the approach to ensuring program delivery to them, much less what standard constitutes equity. These standards are apparently intentionally loose. What in effect is required by most of them is a "best effort" to a general goal rather than firm compliance that can be monitored. Coupled with the minimal requirements for plan content, they provide very little material for plan review by higher authorities or interested parties in the community. These standards provide little guidance to JTPA officials as to what they must do and very shaky grounds for outside challenge as to the adequacy of the plan. In cases where PICs have established

clear standards or performance standards, subcontractors are being measured by those standards.

These provisions are the most important part of the Act. They retain the continuity of moral and humanistic purpose that runs through employment assistance programs from the beginning. They assert that equitable service and the economic improvement of people in need remains the foundation of the agenda though they do not give these considerations exclusive priority status. The goal of training for labor market demand gets nearly co-equal status. In the spirit of JTPA, these requirements have been made simple and flexible to give the responsible people at the state and local level a maximum opportunity to find the best realization of these goals that is possible within local conditions and that is consistent with their values.

Content of Program Requirements and Standards:

The specific areas of program activity specifically addressed by the Act are as follows:

- Goals for participant selection and recruitment.
- Relating training to labor market demand.
- Relating training to the participant's occupational development and career objectives.
- Specific responsibility of the PIC to certify the adequacy training with which it is involved.
- Provisions under which a participant can be employed and received wages as part of the participant's training, and the kind and types of employers that can be involved in training and employing participants.
- Labor standards in employment under this program.

The discussion to follow will identify what is required in each area of these concerns. It will also attempt to highlight the ambiguities, mutual contradictions and omissions in each area.

Standards for Participant Selection: Eligibility is primarily based on low family income with additional criteria governing other unemployed status. To select from within this eligible group, which is much larger than the number that can be served by the program, the following criteria will apply:

1. "Services are to be made available to those who (a) can benefit from, and (b) who are most in need of such opportunities." There is no definition of these terms or requirement to define them locally.

2. Youth, 16 to 21, are to receive 40% of the services funded under Title II-A and all under Title II-B. Other than this stipulation, discrimination based on age is prohibited (JTPA Sec. 203(b)(2)).
3. Discrimination is prohibited on the basis of race, color, national origin, religion, sex, handicap or political affiliation as provided for under the Civil Rights Acts (JTPA Sec. 167).
4. Equitable apportionment of services among significant segments of the eligible population must be sought (JTPA Sec. 141(a)).

The selection of participants has become one of the most controversial issues over the long haul under JTPA. The pressure to select the most highly qualified applicants (that is, most able to benefit) is generated by the need to meet Performance Standards for job placements and to satisfying employer needs as expressed by employers who agree to do training and those who sit on the PIC board. The only built-in force to the contrary is the statutory language requiring that those "most in need" be the object of service. This bare phrase without any enforcement mechanisms will have little meaning unless the JTPA officials or some powerful authority makes it a state or local emphasis. If it becomes a program emphasis, a high proportion of very needy participants are actually enrolled, then a petition can be made to the Governor for relief from the Performance Standards (JTPA Sec. 106(a)).

Because of the vagueness of the criteria and the political pitfalls of intervention, the requirement to equitably apportion services among significant segments of the population has not been routinely enforced by the state until there is a serious complaint or a lawsuit by a group alleging discrimination. There is no provision in the Act or JTPA Regulations to define significant segments or equitable distribution or to require state and local JTPA authorities to develop local definitions. There is also no provision for a geographically equitable division of services even within a multi-jurisdictional SDA. The meaning of this provision will have to be defined through complaints or local political action by groups that consider themselves underserved.

Training for Labor Market Demand: The spirit of JTPA is to gear training more closely to labor market demand, but the mechanism to ensure this has not been written into the program requirements as much as it has been built into the process of decision making, the imperatives of the Performance Standards and the rhetoric of Administration leaders. The specific requirements are as follows.

1. Training...shall only be for occupations for which there is a demand in the area or other area to which the participant is willing to move (JTPA Sec. 141(a)).
2. Training can be given "in occupations... in sectors of the economy that have a high potential for sustained demand or growth" (JTPA Sec. 141(a)). This means training might be done in a group of occupations within a locally growing industry regardless of the overall demand situation in the economy (JTPA Sec. 141(a)).
3. The Private Industry Council must specifically approve the content of training provided under JTPA (presumably for its adequacy to the demands of the labor market) under most circumstances:
 - a. Skill Training: "Occupational skills training may only be funded if the level of skills provided in the program are in accordance with guidelines established by the Private Industry Council" (JTPA Sec. 107(d)).
 - b. Prevocation Work Adjustment Training for Youth: JTPA permits the attainment of "recognized employment competencies" to be used as a measure of successful completion of JTPA enrollment of youth trainees if they obtain competency in specific skills that are "recognized by the private industry council" as (presumably) meeting the standards of general employability demanded in the local labor market (JTPA Sec. 106(b)(2)).
4. Training needs must be considered on a labor-market-wide basis that encompasses all the areas in which participants from that area will consider job opportunities including opportunities outside the Service Delivery Area boundaries:
 - a. Labor-market-wide: "If there is more than one Service Delivery Area in a single labor market area, provisions for coordinating are required for assessment of needs and problems in the labor market that form the basis of program planning," and "for ensuring access to skills training and employment opportunities throughout the entire labor market area" (JTPA Sec. 104(b)(8)).
 - b. Inter-regional: Demand for occupations should be considered in the local labor market "or other area to which the participant is willing to move" (JTPA Sec. 141(a)).

These provisions are to achieve the obviously desirable goal of making all training in the program directed at real opportunities in the labor market and compatible with their demands. This is an essential part of any program to move participants into jobs to meet Performance Standards and satisfy their occupa-

tional objectives. Unfortunately, this goal is more taxing than the simple language of the requirements imply. They involve the intellectual effort of studying the labor market: its current structure of demand by occupation and economic sector, its long range of growth and change, its daily effective demand in terms of hiring, turnover, competitive dynamics and institutional restrictions. In addition to the market research effort, there must be an active sales campaign in the field to sell training and participants from the program. In other words, the actual demand for training and trainees must be developed through a process of discovery of prospects and hard selling. It requires the systematic effort of a strong staff and the priority attention of the local PIC and SJTCC board members.

In addition to discovering actual job opportunities, the PIC has been specifically charged with making sure the training provided in the program really satisfies labor market demand. Curriculum must meet employer's needs.

Perhaps even more challenging is the development of general employability standards for the labor market. Such standards are needed for prevocational programs making youth job ready and require determination of minimal reading levels, math functions, application procedures and work place behavior.

The Act does not explicitly require a state or local PIC to develop these labor market information, marketing curriculum development programs. A systematic labor market/job opportunity strategy in the Job Training Plan or Governor's Plan is not required. No guidance is given to JTPA authorities for intermediate steps which might make these goals and responsibilities a reality.

Training for Participant Opportunity and Needs: JTPA retains at least a nominal commitment to the "client-centered" priority of occupational development and economic advancement of the participant above all other objectives including service to employers in the labor market or the welfare of service providers. These goals are set forth in the following statutory language.

1. "The basic return on the investment in JTPA is to be measured by" returns for the participant in the form of: (JTPA Sec. 106(a)).
 - a. "The increased employment and earnings of participants and the reductions of welfare dependency."
 - b. "The reductions in welfare dependency."
2. The increase in earnings, including hourly wages, is to be a basic measure of performance (JTPA Sec. 105(a)). The operational Performance Standard for the local program is to be the average entry wage at placement. DOL set this at the

fairly high level of \$4.91 per hour (Performance Standard Issuance No. 1-PY '84, 12/13/83). The actual increase in earnings is to be traced only at the national level by survey methods.

3. Efforts shall be made to develop programs which contribute to the "occupational development" of participants including long term improvement of employability and measures to restructure opportunities in the labor market such as: (JTPA Sec. 141(b)(2))
 - a. Upward mobility.
 - b. Development of new careers.
 - c. Overcoming sex stereotyping in occupations traditional for the opposite sex.
 - d. Overcoming racial imbalances (as encouraged by the provisions of JTPA Sec. 481, Training to Fulfill Affirmative Action Obligations).

The ideal for client-centered programming is the "comprehensive services" model which starts with a maximum commitment to each client served, assesses that client's needs and aspirations, and designs a realistic employability development plan to pursue the highest aspirational level possible. The ideal program would then have the resources to assign a sequence of training in basic skills, if necessary, and then higher level skill training. Maintenance allowances or wages would be available to support the client through a long period of enrollment. Supportive services would deal with the client's total life problems. Furthermore, ideal conditions would include a labor market in which openings were available in a number of good jobs for any qualified or even marginally qualified person. The model does work for a fairly high percentage of those served but at a high cost. It has the virtue of being able to deal with any kind of client from the most disadvantaged to the most able and pursue maximum opportunities for all. Its relevance for the contemporary period is to be established in only a few programs for selected groups of clients.

At the opposite pole from comprehensive services is a simple program of placing people directly into whatever jobs are available with whatever qualifications the participant possesses. This is the Employment Service approach. Where it is operating effectively, it has the virtue of making many placements at a low unit cost. In theory, it improves participant welfare by increasing the rate of employment (through reducing the period of unemployment) and expanding the participant range of choice. The difficulty of such a program is proving that it makes much of any economic difference to participants: qualified workers can get just about the same jobs with or without the placement services

and unqualified workers have very limited opportunities under any circumstances.

In between these poles are alternative occupational development approaches which offer a limited range of services and/or a limited range of choices, but seek to find a particular group of clients who want and need what they have to offer. Each alternative, within their limited scope and capability, offers the possibility of effective and efficient service, useful to some but not all clients. These kind of approaches seem most feasible under JTPA but all present their own dilemmas and drawbacks.

The most desirable alternative is to offer training in high skill occupations. Such training, if successful, offers the supreme virtues of producing long term economic gain, job satisfaction and a firm attachment to the labor market. Unfortunately, most applicants are not prepared academically or behaviorally when they apply for assistance. Moreover, for the appreciable minority who are ready, the training is long (6 months to 3 years), requiring the means to survive in the period. Moreover, the failure and dropout rate along the way is fairly high and the entry wage at the end may be disappointingly small. (For example, the wages for a Licensed Practical Nurse for one year of training are less than grocery store checkers in many communities.)

The best skill jobs must be imaginatively sought out among expanding industries or those undergoing rapid technological change. In these situations, skill shortages do emerge and those who can get prepared in timely fashion face limited competition and high demand. In such circumstances, the program will have made a very great contribution to those it serves.

A still higher contribution is made in a "new careers" type program where the program works with an employer who is persuaded to change jobs to make them more accessible to clients. The program then designs comprehensive training to eligible participants for the jobs. Many such instances of coordinated institutional change and human development have been accomplished over the years. More should be attempted in the future, but they will affect relatively small numbers of participants.

However, most JTPA programs have been confined to the more routine programming that has been the staple of employment and training over the years. They will train in relatively short term, routine but useful skills such as typing, general office, welding, maintenance and cooking.

Many programs have been reduced to very short term programs of job search and work orientation training before an "as is" placement is sought. In such approaches, the "occupational development" goal for participants will be realized to only a small degree.

This discussion suggests that "occupational development" can be sought at many levels along the dimensions of occupational skill level, career potential, entry wages, and the complexity of the programming involved. The essential point for the conscientious JTPA board member or staff or the community agency observer is that the program be making its best effort within the context of its opportunities and financial resources. These standards or goals provide few fixed guideposts to make a judgment.

A Recommended Approach to Labor Market/Participant Opportunity Strategy Objectives. To decide the appropriate course for the program it is necessary to link consideration of labor market demands with the human side of the equation, that is, participant characteristics and aspirations. The economy may need particular occupations and industrial expansion might be advanced by subsidized training for some new or expanding industry, but if the occupational opportunities are not desired by the participants, or pay reasonable wages, or the qualifications are too high, then training for these jobs should not be undertaken. Conversely, if participants can get placed in an attractive occupation with an employer willing to cooperate (perhaps for affirmative action considerations), then training should be done regardless of the total occupational demand picture. (Such hypothetical conditions do exist with respect to pre-apprenticeship training for the construction industry.)

None of these considerations can be considered an insolation. The language of the Act places these considerations ambiguously side by side. Section 141(c) puts participant needs in subordination by requiring only that "efforts shall be made" to achieve occupational development, not that programs must do so. On the other hand, in the statement of Congressional purpose (Sec. 106(a)) declares that participant earnings and employment is "basic return on investment" to be sought. Therefore, employer demands, labor market supply and the needs of the disadvantaged, unemployed participant must be simultaneously weighed and balanced.

Unfortunately, the search for training areas may be fraught with frustration. The hard facts are that in many labor markets throughout the 1980s there will be slack demand for labor and intense competition, often from persons overqualified for the positions they seek. Many of the emerging demands will be at the extreme ends of the skill/education continuum -- either too simple and low paying to justify training or too complex for the short term training of under-educated people. Many jobs will be in emerging technical areas beyond the capacity to duplicate in training laboratories. Therefore, the selection of training will require great ingenuity and long search. The feasibility of training in some cases may be dependent on a specific employers readiness to absorb the trainees. In other cases, training may be dependent on the program's commitment to train people to

compete in already highly competitive situations where demand is already roughly balanced with supply.

Some programs may find it advisable to return to the CETA approaches of building general employability and job search capability without providing specific occupations. The majority of eligible applicants for service may need basic academic and work adjustment skills before they can even begin to be able to benefit from skill training. Many programs will be faced with choices between imperfect alternatives rather than selecting among attractive, well-paying, high demand occupations. To meet these challenges, it will be necessary to mount an effective program of research, planning and marketing action. The following types of measures are recommended as a basic approach to planning.

1. Establish a labor market information and marketing unit to gather all available information from the state Employment Service, local research institutions and survey employees. Encourage the state to take leadership and provide financial resources for research. Join with staff of adjoining SDAs to share resources. Develop target occupations and industries and a marketing strategy.
2. Mobilize the informational and leadership resources of the Private Industry Council (or SJTCC). Elicit suggestions, brainstorm, develop alternative policies and set priorities among them. Establish group(s) for marketing (job development) and training development (curriculum design or certification).
 - a. Identify a demand occupation list which identifies occupations that are growing fastest, employ the most people, and have the large annual openings (from growth, retirement and turnover).
 - b. Identify an attractive occupation list that includes occupations with sufficiently high wage levels, attractive working conditions, locational accessibility, etc., and which require skills which are obtainable without unduly high levels of general education and social background.
 - c. Identify a target industry list of firms and/or economic sectors (including government) which are growing, very large in the community, or which are very economically healthy and/or which employ in attractive occupations.
 - d. Prepare a target list and strategy document directed at the most favorable sectors above.

3. Develop and adopt a program services design balancing labor market oriented approaches with client-centered developmental approaches in the manner considered most appropriate to local needs and priorities. Such a design may specify the following:
 - a. Prepare refined occupational/employer sector priority list with projected form of training (OJT, classroom, customized).
 - b. Develop a program mix of training approaches with an allocation for such areas as skill training in classroom, skill training by employers, skill training by individual contracts, on-the-job training, general employability development (work experience, basic education, job adjustment skills).
4. Designate a labor market research and marketing staff of sufficient size and technical competence.

SECTION D: Standards for Employment During Training

The following body of detailed provisions describes how participants can be employed during training and other program participation. They also cover the circumstances under which employers are permitted to employ and/or train participants. The relative abundance of detailed provisions does not necessarily reflect any real importance of this area of program concern; rather, it reflects the concern of the Congressional drafters that such activities had been subject to abuse and it was particularly important to prevent it in the future. The requirements fall into three areas: employment for training, limits on employer based training, and labor standards.

Employment for Training:

On-the-Job Training, Work Experience and Variations.

The following provisions have been written into the Act to regulate the use of work as a training tool and subsidized job entry training by employers.

1. On-the-Job Training is authorized without definition or reservation by JTPA Sec. 204(5). Customarily under previous employment and training legislation, it has been defined as training conducted by a (public or private) employer in its production process for program participants hired as employees at the beginning of training and expected to remain as an employee if training is successfully completed. No such definition has been provided in the Act but the expectation behind JTPA could be expected to be identical.
2. "Payments to employers for on-the-job training shall not average more than 50% of the wages paid by the employer to such participants, and such payments shall be deemed to be in compensation for the extraordinary costs associated with training... and ...for the cost associated with the lower productivity of such participants" (JTPA Sec. 141(g)).
3. "Tryout employment at private for-profit worksites, or at public and private nonprofit worksites when for-profit sites are not available," can be used for "entry employment experiences" (for all practical purposes, work experience) for disadvantaged youth, 16-21, up to a period of 250 hours. Wages shall be paid to the participants by the JTPA program (termed "payments in lieu of wages") (JTPA Sec. 205(b)(3)(B)). Payments to such participants are considered "training" for purposes of compliance with cost limitations (JTPA Sec. 108(b)(2)(B)). No provision requires a commitment to hire such participants, but no slot can be refilled with an employer where the previous participant was not hired (JTPA Sec. 205(b)(3)(B)).

4. "Subsidized employment with any private for-profit employer is prohibited for any adult participant over 21 years of age or any youth not on "Tryout Employment" (JTPA Sec. 141(k)). OJT is apparently distinguished from this forbidden approach by the requirement the employer receive no more than 50% of the participant's wages.
5. No funds... may be used for public service employment (PSE) (JTPA Sec. 141(p)). This is undefined explicitly. Apparently, this is everything the other 8 approaches listed here are not.
6. Work Experience is authorized but undefined by JTPA Sec. 204(15). Customarily under CETA and its predecessors, this activity took many organizational forms but its central core is to pay participants wages to work for a private, nonprofit agency or on a special work crew for the purpose of learning how well the person does work (how job ready the person is) and improving the person's ability to work. Customarily, such workers were paid centrally by the agency controlling the program and were considered guests and not employees of the "worksites" agencies. JTPA provides no direct standards for Work Experience but seeks to control it by curtailing its financial support by defining it as a "participant benefit" under cost limitations of JTPA Sec. 108.
7. Limited Work Experience which combines Work Experience with a substantial amount of classroom education or training is authorized for special cost category treatment in JTPA to be considered "Training" and therefore outside the restriction on "participant benefits" category.
8. Entry Employment Experiences are authorized as Exemplary Youth Programs under JTPA Sec. 204(c)(2)) in a variety of forms including part-time, in-school jobs and full-time summer jobs. It is suggested that such jobs can only be provided to youth who have received a "pre-employment" skills program" and are enrolled in some other form of education or training. No employment beyond 500 hours is permitted.
9. Summer Youth Employment is permitted to provide Work Experience or any other activity authorized under JTPA Sec. 204.

Generally speaking, On-the-Job Training, Tryout Employment, Entry Employment Experience, Public Sector Work Experience, Private Sector Work Experience, and Limited Work Experience are attempting to do the same thing -- to put people to work in various situations in order to train them and advance their progress toward permanent unsubsidized employment. This very basic approach in its many forms has been proven essential over the years, but has also been subject to considerable misuse by

employers, staff and participants. Some employers, public and private, have seen it as free labor and forgot their obligations to train and/or hire. (Some public employers could not really distinguish the approach from Public Service Employment in which their own obligation was to hire and utilize participants rather than train and move them on.) Staff has seen it as an easy way to put the participant some place without doing something truly developmental. Many participants saw at least the Work Experience part as an undemanding job rather than a chance to learn and prove one's self. As has been discussed, the drafters of JTPA were intensely suspicious of all these approaches, particularly any part involving the public sector. Their approach has been to try to expand private for-profit employer side, and to create nine different particles each with a unique angle but essentially boiling down to OJT or Work Experience.

Unfortunately, the suppression of Work Experience and renaming it in various contexts does not serve to improve it. (Renaming Work Experience for in-school youth to "entry employment experience" does little to improve it.) This author has suggested a more constructive approach would have been to continue to authorize its use but to better define its parameters and set rigorous standards for its use. A framework of standards can be found from examples of where it was properly employed under CETA and its predecessor acts. Work Experience is first a diagnostic tool to determine how well a person worked and what are the specific work problems, and second, a means to teach people how to work better, get along with people on the job and practice the most basic skills of employment. Good work experience is defined by such aspects as adequate supervision, structure, and clearer objectives. It is to be a limited assignment, a development experience and a test for job readiness. It is to have a limited duration for most (perhaps 13 to 26 weeks with a few longer term assignments for very young or inexperienced workers). It needs to be directed at developing the "recognized employment competencies" that the PIC is to develop under JTPA Sec. 106(b)(2). It is best when combined with supplementary training in job readiness, basic literacy, or even skills training as suggested in JTPA Sec. 108(c). As proper approach to Work Experience is among the most important areas for local action in JTPA planning and in the Congressional redrafting of JTPA.

The On-the-Job Training standards above represent a confirmation of old standards of a 50% wage reimbursement to employers. In general, OJT has been a quite successful program but never one that has been oversubscribed by employers. In this buyers market, it has been difficult to be very stringent about standards. JTPA, in effect, allows a more flexible posture with employers in which the bargain can be liberalized to expand the total volume of training. Specifically, any restrictions on the length of training have been dropped (previously these were related to a federal formula based on the Dictionary of Occupational Titles). Strangely, there is also no requirement that

employers hire all participants who successfully complete training. Surely it is not to be implied that such is not the understanding with the employer, but it does not have to be made a contract requirement. While they open up room for abuse, provisions to make OJT more attractive to employers are probably beneficial. The more OJT available, the more participants placed.

Finally, Tryout Employment has been authorized as a special kind of simplified OJT for youth. Employers who have never been overly enthusiastic about OJT are even less interested in employing youth. Tryout Employment permits the assignment of youth participants to an employer on roughly the same kind of basis as OJT. The difference is that there is no contract and perhaps a less firm commitment to hire. The youth is paid from the JTPA program's payroll and therefore is not an employee for purposes of Unemployment and Workers Compensation Insurance, etc. The only sanction for not hiring the participant is that a new participant will not be assigned, but the time period is unspecified.

Limits on Employer Based Training: The following provisions authorize funding for training conducted by employers specifically for their needs including both on-the-job and classroom training (in various combinations and alternate terminologies), but place certain restrictions on it.

1. On-the-Job Training is permitted as specified in the preceding section but with the limitations listed below.
2. "On-site industry-specific training programs" can be funded if they are "supportive of industrial and economic development" (JTPA Sec. 204(24)).
3. Training programs operated by the private sector (employer and/or labor unions) utilizing private sector facilities can be funded if workers are to be trained "in occupations for which demand exceeds supply" (JTPA Sec. 204(7)).
4. Customized Training can be funded if conducted with a commitment by an employer or group of employers to employ an individual on successful completion of training (JTPA Sec. 204(28)).
5. No funds may be used to assist in relocating establishments ...from one area to another unless such relocation will not result in an increase in unemployment in the area of original location or any other area (JTPA Sec. 141(c)).
6. Under JTPA On-the-Job Training or Tryout Employment, no participant shall be employed (a) when any other individual is on layoff from that job, or (b) when the employer has terminated the employment of any regular employee... with

intention of filling the vacancy... by hiring a participant whose wages are subsidized under the Act (JTPA Sec. 143(b)(3)).

JTPA clearly favors business involvement in training but sets some limited standards to control abuses. The number of authorized approaches (though often essentially similar) clearly shows a desire that business get the message through whatever terminology it understands. The standards for business involvement permits the funding of training specific to the needs of a business or group of business, but the special financial benefits to the employer must be justified as follows:

- There is a commitment to hire program graduates.
- There is a clear excess demand over supply.
- The training is part of the community's economic development program.

These standards are not clearly applied across the board and there seems a clear possibility for potential abuse. JTPA boards, staff and community agencies should be alert to the pitfalls of weak contracts, unclear intent, and even fraudulent action. However, absolute assurances are likely to be self-defeating because they will drive employers away.

Requirements for Labor Standards: For those participants to be employed during training regardless whether it is with a public, nonprofit or for-profit employer, there are certain labor standards which are essentially designed to guarantee working participants equal benefits with other workers similarly employed.

1. On-the-Job Training participants are to be compensated by employers at the same rates as similar employees and at no less than minimum wage (JTPA Sec. 142(a)(1)) and receive similar benefits and working conditions as other workers (JTPA Sec. 142(a)(2) and (4)).
2. Individuals employed (in work experience) are to be compensated at the minimum wage or the employer's prevailing wage for similar work (JTPA Sec. 142(a)(2)). In practice, work experience workers are rarely compensated at other than the minimum wage and rarely receive any employment benefits other than Workers Compensation.
3. Working conditions are to be appropriate and reasonable and meet OSHA health and safety standards and be covered by Workers Compensation Insurance (JTPA Sec. 143(a)(1) and (2)).

4. Grievance procedures on the terms and conditions of employment are to be maintained for participants by their employer (JTPA Sec. 144(b)).

These provisions are mostly carry overs from CETA and previous legislation. They confirm the language above that participants in On-the-Job Training are to be something like full-fledged employees on a probationary status or whatever status is normally afforded to entry level employees by that employer. Perhaps the most sensitive requirement of this group is the requirement for a grievance procedure for trainees in employment under JTPA. Many employers have no such procedure for their regular employees and resist setting one up for JTPA. Participants in Work Experience have always been in a more ambiguous situation regardless of legislative provisions such as the above. This is often confirmed by the fact that the employee/trainees are on the payroll of program sponsors as opposed to the agency or company where they are actually working.

CHAPTER V. JTPA PARTICIPATION CHECKLIST

Getting Ready for the Next Round

Questions and Issues for Community Based Agencies

JTPA is primarily a local program for which national policies provide a framework, but DO not give specific instructions about who will be funded to provide what specific programs. CAAs must continually analyze local policy documents, PIC actions, and SDA plans and contracts for issues that concern low-income individuals and for opportunities for CAA participation. This checklist guides Community Based Agencies through the various documents and program development stages. It provides a series of questions that should be asked by each Community Based Agency.

A. STATE ADMINISTRATION OF JTPA

- ____ 1. Who is the CBO representative on the State Job Training Coordinating Committee? Has this representative been contacted and urged to support a general CBO presence and participation in JTPA?
- ____ 2. Have you determined the length of terms for SJTCC members and the process for naming replacements? Have you positioned yourself or somebody who will help you to be named as a CBO representative?
- ____ 3. Have you determined which state agency operates each of the various programs under JTPA?

Title II-A, Training Services for the Disadvantaged (Adult and Youth Programs)?

Title II-B, Summer Youth Employment and Training Programs?

Title III, Employment and Training Assistance for Dislocated Workers?

State Education Coordination and Grants (Section 123 of the Act)?
- ____ 4. Has each administering agency been contacted and asked for copies of their program plans, regulations, and requests for proposals?

Questions:

- a. What roll will local SDAs and PICs have in each pot of funds, if any?

b. Who is specifically eligible for funding---are those organizations potential partners in proposals?

____ 5. Have you reviewed the Governor's Coordination and Special Services Plan?

Questions:

a. Are there provisions requiring or recommending local SDAs to coordinate with CBOs?

b. Do you need to propose such provisions for the next plan to provide leverage with your local SDA and PIC? Are there special programs to be directly operated by the state that provides an opportunity for CBOs to be the grantee or contractor?

____ 6. Have you placed all JTPA state agencies and SJTCC members on your mailing list so that they can learn about your agency and its activities?

B. SERVICE DELIVERY AREA ADMINISTRATION OF JTPA

____ 7. Have you requested a copy of the Private Industry Council Membership, their names, addresses, and telephone numbers and placed them on your agency's mailing list so that they will become familiar with you?

____ 8. Have you personally met with the PIC Chairperson and SDA JTPA Administrator to discuss local JTPA plans and priorities and explore roles for your CAA's participation in JTPA?

____ 9. Who is the CBO representative/s on the local PIC? Have you met with the representatives to ask them to represent you and the interest of all CBO's on the PIC? Do you meet with them regularly to be updated on local JTPA happenings? And to make them aware of your interests?

____ 10. Did you study the PIC by-laws for terms of membership and replacement provisions, so that you can request future membership?

____ 11. Are any of the PIC members potential partners for joint JTPA programs?

____ 12. Are you notified of PIC meetings and do you attend?

- ___ 13. What are the provisions of the current SDA Job Training Plan?

Questions/Issues:

Who will receive contracts?

To do what?

What are the long range priorities?

Are there potential future roles for your CBO?

What is the process for amending the plan?

Are there activities for which contractors have not been selected?

What are the plans for providing supportive services---are these plans comprehensive and adequate?

Does it include the mandated and recommended coordination linkages of the Governor's plan?

- ___ 14. Have you read the agreement between the local elected officials and the PIC that sets forth how decisions will be made, who will make them, and what the division of responsibilities is? This is usually called the PIC--LEO Agreement.

- ___ 15. Have you requested to be placed on the mailing list of the SDA administering agency and the PIC for their newsletters, notices, and requests for proposals? These documents should be monitored regularly to identify opportunities, discover rates of low-income persons participation, and understand local priorities and how current programs are meeting them.

- ___ 16. Have you developed and submitted a specific proposal for funding that is tailored to the adopted Plan? And followed-up personally with PIC members and JTPA administrators on the benefits of the proposal?

C. INTERNAL CAA ACTIVITIES

- ___ 17. Are any members of your Board of Directors on the PIC so that they can advocate for your interest? Have your recruited current PIC members to serve on your Board as vacancies occur?

- ___ 18. Has your Board and staff specifically identified what their long-term and short-term goals and roles are for JTPA participation?

Questions.

Is it to monitor the program and assure that it is meeting the needs of low-income persons?

Is it to act as a service provider or as a training entity?

Is it to develop new partnerships with the Private Sector?

Is it to establish ventures that have the potential for unrestricted revenue streams?

Or is it all of these?

These goals and decided upon role/s are important to know since they will dictate strategy choices.

____ 19. Have you conducted a JTPA-related asset inventory?

____ A. What experience does the CBO have in directly operating employment and training programs? Were they successful?

____ B. Does the CBO have a successful outreach program to the disadvantaged and special needs groups that can be useful to the local JTPA program in recruiting, determining eligibility, and intaking JTPA program participants?

____ C. Are there currently programs operated in conjunction with the private sector and are they potential JTPA partners for expanded programming?

____ D. What social services programs do you operate that are needed as support services in JTPA, and that SDAs can purchase from you?

____ E. Do you operate Youth programs that can provide an entry into the JTPA youth training emphasis?

____ F. What are your weaknesses and how can they be addressed and resolved? (Explore such areas as fiscal accountability, image with the community and/or Private Sector, and previous contractual relationships with the local government.)

This inventory should result in an action plan that addresses your weaknesses, that provides assets that can be packaged in terms of SDA plans and priorities, and the benefits that can be presented to urge local adoption of your proposals.

- ____ 20. Have you identified potential JTPA partners for joint proposals and action? The perfect partner is one that has strength where the CBO has weakness, and where the CBO strengths are complementary to the partner's needs. From this mutual interest, partnerships can be formed that increase the likelihood of success that result in benefits for both.
- ____ A. Labor Organizations: Are they interested in the Dislocated Workers programs or currently operating Title III programs that require CBO assistance in meeting the human needs of laid-off workers? Who is the labor representative on the PIC?
- ____ B. Businesses: Who are your current or past private sector partners? Who are your suppliers? Are they on the PIC? What are the businesses and industries in your target areas and do they know about JTPA?
- ____ C. Other CBOs: Are there CBOs that have greater experience and success with employment and training programs than you? If so, are they funded under JTPA? Is there a possibility for sub-contracting or joint proposal development?
- ____ D. Economic Development Agencies: Is your local community economic development agency working on JTPA? Can you do a joint project with them?
- ____ E. Education Entities: Does the training knowledge of community colleges, vocational schools, and private proprietary schools need to be coupled with the knowledge the CBOs have of the low-income community, their contracts, and their needs?
- ____ 21. Have you kept your constituency and community informed of JTPA and how the decisions being made effect them? Have you urged their active involvement in public hearings and attending PIC meetings?
- ____ 22. Have you developed statistics and position papers on the employment and training needs of your constituency and neighborhood for submission to the SDA and PIC?
- ____ 23. Are you monitoring the implementation of the local JTPA Plan?
- Are the programs working?
Are low-income persons being served?
Are performance standards being met by the contractors and the SDA?
- ____ 24. Have you proposed amendments to the Plan to assure better services to the low-income community?

Chapter VI. TRAINING AND TECHNICAL ASSISTANCE RESOURCES.

There are a number of national training and technical assistance resources. A very few have been funded by the DOL to provide special assistance to particular JTPA constituencies. Most provide their services through a fee structure. Many offer direct consultation and on-site assistance. All of them produce publications. Those that emphasize your role in JTPA or provide assistance in areas in which you wish to expand your knowledge should be contacted for information on the services that they provide, publications available, and the cost for assistance.

— The CENTER for Local and Community Research,
now called the CENTER for Community Futures.
P.O. Box 5309, Elmwood Station, Berkeley, Ca, 94705
415-654-9036.

The CENTER offers publications, seminars, and on-site assistance to the full spectrum of JTPA entities.

— NATIONAL ASSOCIATION OF PRIVATE INDUSTRY COUNCILS,
Suite 510, 1055 Thomas Jefferson Street NW, Washington,
D.C., 20007
202-223-5640

NAPIC is a national membership organization for PICS and offers seminars, frequent updates, and publications of particular interest to PRIVATE INDUSTRY COUNCILS.

— The UNITED STATES CONFERENCE OF MAYORS,
1620 Eye Street, NW, Washington, D.C., 20006
202-293-7650

The primary constituency for their services are JTPA program operators that are located in USCM member CITIES AND TOWNS.

— NATIONAL ASSOCIATION OF COUNTIES,
440 First Street, NW, Washington, D.C. 20001
202-393-6226

COUNTY JTPA based programs will find NACO helpful in providing publications

— HUMAN RESOURCES DEVELOPMENT INSTITUTE, AFL-CIO,
AFL-CIO Headquarters Building, 815 Sixteenth Street, NW
Room 405, Washington, D.C. 20006
202-638-3912

HRDI works primarily with state labor federations and local labor UNIONS on Title III of JTPA, the DISLOCATED WORKERS PROGRAMS.

— AMERICAN VOCATIONAL EDUCATION ASSOCIATION,
2020 North 14th Street, Arlington, Virginia 22201
703-522-6121

This organization is concerned with the State Education Coordination and Grants section of JTPA and with EDUCATIONAL partnerships in general.

— NATIONAL ASSOCIATION OF STATE UNITS ON AGING,
600 Maryland Avenue, SW, Room 208
Washington, D.C. 20024
202-484-7182

NASUA has prepared a number of publications on OLDER WORKERS and JTPA (including the 3% set-aside) and hosted conferences to provide assistance in operating effective programs for this target group.

— NATIONAL COUNCIL ON AGING,
600 Maryland Avenue, West Wing--100, SW,
Washington, D.C. 20024
202-479-1200

NCOA has an extensive publication list of issues concerning OLDER WORKERS.

— NATIONAL GOVERNORS' ASSOCIATION,
Education and Labor, Hall of the States,
444 North Capitol Street, Washington, D.C. 20001
202-624-5300

Active assistance and publications are provided to GOVERNORS and their JTPA staff, but some publications are also available to others.

— NATIONAL ALLIANCE OF BUSINESS,
1015 15th Street, NW, Washington, D.C. 20005
202-289-2910

Publications, seminars, and periodicals are offered to all JTPA entities and emphasize the role of BUSINESS and PRIVATE INDUSTRY COUNCILS. (Program models are available on a database.)

— CHAMBER OF COMMERCE OF THE U.S.,
1615 H STREET, NW, Washington, D.C. 20062
301-468-5128

Publications for BUSINESS, CHAMBERS OF COMMERCE.

____ NATIONAL CONFERENCE OF STATE LEGISLATURES,
444 North Capitol Street, NW, Washington, D.C. 20001
202-737-7004

Assistance to STATE LEGISLATURES in JTPA operations within
states and their role.

____ NATIONAL ALLIANCE OF BUSINESS
1015 15th Street NW, Washington, D.C. 20005
2/2/289-2910

A wide range of publications and workshops from the business
perspective.

____ NATIONAL JOB TRAINING PARTNERHSIP
Washington, D.C. 202/289-2910

A recently formed consortium of several organizations
offering membership to SDAs.



Center for Local and Community Research

TO: COMMUNITY BASED ORGANIZATIONS INTERESTED IN THE JOB TRAINING PARTNERSHIP ACT

FROM: CENTER FOR LOCAL COMMUNITY RESEARCH (CENTER) and the NATIONAL ASSOCIATION OF PRIVATE INDUSTRY COUNCILS (NAPIC)

SUBJECT: A. HOW THE PRIVATE INDUSTRY COUNCIL WORKS
B. HOW CBOs CAN WORK EFFECTIVELY WITH YOUR PIC

Introduction

The National Association of Private Industry Councils is a membership association of local PICs across the country. NAPIC was formed in 1979 in response to the Private Sector Initiative - Title VII of the Comprehensive Employment and Training Act (CETA). NAPIC's services include: technical assistance through facilitation of PIC to PIC exchanges; conferences and seminars; legislative and programmatic informational updates; and a Washington office that can quickly respond to PIC needs. NAPIC is pleased to collaborate with the Center for Local and Community Research to provide the following information which we hope will encourage effective partnerships at the local level.

The Center for Local and Community Research is a national, nonprofit training and technical assistance group. The Center believes that CBOs have a vital part to play in JTPA. The Center worked with NAPIC on this information update.

This memo covers HOW THE PIC WORKS and HOW CBOs CAN WORK WITH THEIR PICS. This memo was prepared by Marge Schiller of The Center and Lori Strumpf of NAPIC.

A. HOW THE PIC WORKS

I. Organization of Local Private Industry Councils

The Job Training Partnership Act (JTPA) differs from CETA in many respects. One major change is the expanded roles and responsibilities of the Local Private Industry Councils (PICs). Under JTPA, PICs are responsible for policy and oversight of community job training efforts in partnership with local elected officials. Through this joint decision making, the employment and training system can effectively respond to the needs of disadvantaged youth and adults as well as to the needs of employers.

PICs have several options as to their organizational structure under JTPA. A PIC may incorporate as a non-profit organization, may hire its own staff, and may seek other public and private funds. These decisions will be based on local factors, including the mission adopted by the PIC. It is important for CBOs to understand the organizational structure of their PIC, to identify key actors, lines of authority and the decision-making process. You cannot effectively work with your PIC if you do not understand how it operates.

In any event, most PICs will conduct business through subcommittees. Since volunteers have limited time, the detail work is done at this level. Therefore, subcommittee recommendations are critical. Above all, learn the structure and decision-making process followed by your PIC.

II. PIC MEMBERS

Under JTPA, a majority of the membership of the PIC and the chairperson must be representatives from the business community. The Act specifies that the business representatives must be owners, chief executives or other executives with substantial policy or management responsibilities.

The remaining "seats" on the PIC are to be filled by representatives of the education community, organized labor, the employment service and other involved parties. Community based organizations are specifically cited for membership. The chief local elected official(s) is charged with the responsibility of appointing individuals to the PIC. PICs will become operational upon certification by the Governor. Since neither all businesses or CBOs will sit on the PIC, it is important that individuals interested in reflecting the broad range of needs of employers, participants, and service providers seek membership on the PIC. CBOs may wish to work together to seek suitable representation of their interests.

III. ROLES and RESPONSIBILITIES UNDER JTPA

The new JTPA legislation gives the business community through PICs the opportunity to choose a much more active role in the employment and training system than was previously the case. The logic behind this expansion is that since over 80% of the jobs nationwide are in the private sector it is critical for the private sector to be more **actively** involved in training the workforce. Members of the private sector are aware of available jobs and emerging opportunities and they understand the skills an employee needs to be productive in a work

environment. CBO's therefore, can work with the PIC and the public sector to obtain and translate labor market information into effective training programs that meet the workforce needs of the private sector.

Under JTPA the PIC must be involved in the development of the Service Delivery Area's job training plan and must approve the plan. The plans for the 1984 program year (Oct. 1, 1983 to June 30, 1984) were due to the Governor no later than August 30, 1983. The plans for the first two year operative period (July 1, 1984 to June 30, 1986) are to be prepared this fall and winter and published in draft form by March 1, 1984. PICs working with the state and local elected officials will select the entity with fiscal responsibility, the grant recipient, and the entity that will administer the plan, The Administering Agency. These may be the PIC itself, a unit of local government, a CBO, or some other entity. The PIC may also exercise oversight of programs under the job training plan and will often choose to do so. It is important to note that the PIC is no longer an advisory body. The PIC, by law, is an active "planner" and "doer" within the new system.

IV. PLANNING PROCESS/STRATEGIES

The local planning process will be determined primarily by the PIC. Many state and local institutional relationships must be defined before the actual program planning can begin. PICs and local elected officials are, or soon will be, working out agreements as to who will assume what roles and responsibilities for developing the local plan. Then the planning process will take place. The most important planning process for JTPA will take place in the Oct. 83 to March 84 period.

V. NEGATIVE ASSUMPTIONS SOME PIC MEMBERS MAY BRING TO THE TABLE WHEN DEALING WITH CBOs.

PICs may perceive that CBOs:

- often disagree as to what the critical issues are;
- are as involved in protecting their own "turf" against other CBOs or public agencies as in providing effective services;
- duplicate services and clients of other CBO's or public agencies
- have an organizational structure that is ineffective for program and fiscal accountability
- generally have just not done a good job of obtaining "real" jobs for the people in the system.

Fortunately neither all PICs nor all individual members of any given PIC have these perceptions. However, it is important to identify the biases you perceive your own PIC may have (as well as your own biases) so that the conversation begins at a point of accurate understanding of perceptions and interests, that leads to cooperation and to specific actions that serve mutual interests. JTPA involves a learning period for everyone as the local employment and training system is carefully assessed for efficiency and effectiveness.

B. HOW CBO'S CAN WORK WITH THE PIC

I. INFORMATION ABOUT YOUR ORGANIZATION

Because some PIC members may not have had direct experience with community based organizations, it is important to inform new PICs concerning the work, structure, funding, governance and the general missions of your CBO. Before you approach your PIC talk about your organization, you will want to be certain that you fully understand how the PIC itself works, its range of activities, and particularly the Act.

The Act, an excellent implementation manual, and other informational materials are sold by the Center for Local & Community Research, Hotel Claremont Bldg., Berkeley, CA 94705, on a cost-recovery basis. Call toll free 1-800-The cntr, or write THE CENTER at the above address.

II. PIC MEMBERS

Approach your local PIC as an organization but also as a diverse set of volunteers whose opinions will sometimes differ. By law, there is suppose to be at least one PIC member who represents CBOs but there are other members who may have a relationship to your agency or other community groups. These people are important bridges toward the shared goal of improving the employment prospects of the unemployed. The staff members of the PIC and/or the administrative entity designated by the PIC are another important resource as you develop productive working relationships with the PIC.

III. ROLES and RESPONSIBILITIES

JTPA provides the opportunity for community organizations to play one or more of several roles with their PICs. CBOs need to inform PICs of their skills and resources to assist in implementing JTPA. These may include:

1. CBOs understand and work on a day to day basis with the constituencies to be served by JTPA.
2. CBOs have a variety of services already in place that the system may find useful in whole or in part.
3. CBOs can provide PICs with assistance in the preparation of training materials that have specific adaptability to the target population.
4. CBOs have a wide range of experience in community based planning.
5. CBOs are a logical group to identify trainees and to perform outreach and counseling services.
6. CBOs can provide support services to training programs, and to employers.
7. CBOs can bring their own entrepreneurial and program development experience to help businesses package and deliver training programs.

IV. PLANNING PROCESS AND STRATEGIES

There are several key time elements of which CBO's need to be aware of if they are to become involved in the planning process.

- A statewide program and coordination plan will be written by the State Job Training Coordinating Council. This plan will be published for public comment. Portions of this plan will affect local decisions.
- The SDA must have a local program plan drafted by March 1, 1984. This plan will be published for a 30 day comment period and submitted to the state by April 10, 1984.
- Representatives serving on PICs are appointed by elected officials for staggered terms. CBOs should be ready with an appropriate nomination upon an opening on the PIC.

One strategy to become involved with a PIC would be to hold an orientation meeting on local CBOs. Such a meeting needs pre- and post- actions steps. The PICs will expect a brief, organized presentation with follow-up activity.

Premeeting

1) Call PIC staff with sufficient lead time to seek support for a PIC presentation and set up the date for your presentation. Make sure the PIC members you want at the session will be available.

2) Carefully prepare your presentation.

3) Bring your strongest resources: specific board members, service recipients and any records, publications, or publicity that explains who you are and what you do. Business people like to receive a written **business plan** and to have a presentation that is compatible with their own conceptual framework of markets (needs), goals, products or outcomes, and budgets.

Post Meeting

1) Follow up should be informal (conversations) and formal. A written "thank you" should restate any agreements that you believe to have come from the meeting and answer any outstanding questions.

2) Inviting PIC members to visit your programs is an excellent follow up strategy.

VI. ASSUMPTIONS CBOs SOMETIMES BRING TO PICs

You should not let your assumptions get in your way. When approaching your local PIC, put aside history and stereotypes of the past. The current situation is so fluid that it can lend itself to "blasting through" our residual stereotypes to new and mutually beneficial relationships under the JTPA. There are two strategic mind sets that might provide a starting point for representatives of CBOs and members of PICs as you sit around the JTPA table.

1) First, carve out areas of mutual agreement and leave areas of disagreement alone.

2) Then, focus on areas of significant disagreement and see if they can be turned around or removed.

Summary

The Job Training Partnership Act will create major institutional and programatic changes in the employment and training system. The potential for change should be viewed with enthusiasm and as a chance to create public/private partnerships that will provide skills and jobs to the nation's unemployed. CBOs have a major role to play with PICs. The Center provides useful information and workshops to help you get involved with JTPA and your PIC.

FOR MORE INFORMATION:

Center for Local and Community Research
Jim Masters or Marilyn Blair
P.O. Box 5309, Elmwood Station
Berkeley, California 94705
415-540-0943

National Association of Private Industry Councils
Lori Stumpf or Bob Knight
2001 "S" St. N.W. 5th floor
Washington, D.C. 20009
202-223-5640

COUNTY ELECTED OFFICIALS AND JTPA

**The Rationale and Strategy
for Partnership with
Community Based Organizations**

AN ISSUE PAPER

Center for Local and
Community Research

National Association
of Counties

JTPA AND COMMUNITY BASED ORGANIZATIONS

COMMUNITY BASED ORGANIZATIONS PARTNERSHIPS

Community Based Organizations (CBOs) are one of the potential partners for County Elected Officials to consider as they plan and implement the Job Training Partnership Act. CBOs are a valuable partnership entity to county elected officials because they have the capacity to foster or broker relationships between groups needing services and those responsible for providing services. This Issue Paper will provide an overview of the JTPA legislative requirements and opportunities for these partnerships, possible methods for involving CBOs, and the potential roles that CBOs can play in JTPA implementation.

DEFINITION OF COMMUNITY BASED ORGANIZATIONS

The JTPA legislation defines CBOs as "private nonprofit organizations which are representative of communities or significant segments of communities which provide job training services" and then provides 21 examples of CBOs while noting that this is not an exhaustive list. These organizations typically are governed by community volunteers and with public and private resources provide services to minorities, low-income persons, and other special need individuals. Because most CBOs accomplish their general purpose by utilizing multiple funding sources, they generally have valuable experience in coordinating a wide range of service delivery and programmatic elements. This is an important thing for county elected officials to consider in relation to cost efficiency. Many CBOs operated the federally funded employment and training programs that preceded the Comprehensive Employment and Training Act and some continued to provide either direct or indirect services to their constituents under contract with the CETA Prime Sponsors.

FIRST STEPS: IDENTIFICATION AND COORDINATION

Community Based Organizations is a generic term that represents a heterogeneous mixture of organizational types with differing purposes, employment and training experiences, and assets. County Officials may begin to develop potential JTPA partners by identifying the CBOs in the Service Delivery Areas and initiating coordination mechanisms for effective participation by this diverse group.

Most Counties have United Way, Community Action, or other agencies that have developed listings of community agencies or services that they provide. This list will provide Counties with a starting point for identification of all of the CBOs to be considered. By using the legislative definition and examples, CBOs meeting those requirements can then be contacted for information on each agency, the employment and training services (including supportive services) provided, and their plans for involvement in the implementation of JTPA. Since many CBOs conduct frequent needs assessments and planning processes, the results of those efforts may also be collected to supplement the County's own JTPA planning process and to identify potential areas of partnership due to mutual goals. Data on "past performance" in employment and training programs may also be useful in giving CBO's "proper consideration", as required by the Act, to become service providers.

After identifying the CBOs within the SDA, County Officials may use a number of methods to coordinate the participation of CBOs in JTPA activities:

- Development of a CBO JTPA Advisory Committee: Selecting all CBOs or representatives from each type of CBO to serve on such a Committee will permit Counties to have one forum in which to seek the participation and consider the role of CBOs in the local JTPA programs. This approach also encourages CBOs to develop coordination mechanisms among themselves and will enhance the possibility of CBOs working collectively toward partnership within the SDA rather than individually with the risk of working at cross purposes.
- PIC CBO Representative Nomination Process: County Officials may decide to conduct a nominating process for the required CBO Private Industry Council representation that is similar to the required nomination process for Business, Education and Labor PIC representatives. Besides encouraging all CBOs to be interested in the JTPA program, this process also encourages a broader constituency base for the selected representative to consider in PIC deliberations. By using this democratic process, County Officials can be exempted from the problems that may result from choosing one representative from so many possible organizations.
- Selection of a Lead CBO: If there is one dominant CBO within the county that has credibility both within the CBO community and the community-at-large, the County Official could select that CBO to act as the lead coordinating agency for CBO participation in JTPA. This agency would then assume the responsibility for acting as the liaison between CBOs and JTPA implementers and take the initiative for developing coordinated CBO approaches for JTPA activities. If a CBO nomination process is used, the agency of the selected representative may be considered for this lead role.
- Coordinated Planning and Programming Requirements for JTPA Funds: As the contractor for JTPA programs, the SDA may include as a requirement that CBOs receiving JTPA funds must develop coordinated approaches and sign interagency agreements that outline how CBOs will work together. This "power of the purse" can foster working relationships among different CBOs resulting in increased direct and indirect support for County JTPA programs.

During this coordination process, County Officials will want to identify any County CBO that will be operating other JTPA programs such as those for older workers (which are funded with State set-aside funds), Dislocated Worker Programs funded by the State with Title III funds, or any of the federally funded JTPA programs under Title IV. Counties can then develop specific agreements with these agencies to share employment and training resources and methods, conduct mutually supportive joint activities, and explore possible sub-contracting opportunities between Counties and those agencies. This will help in assuring that limited employment and training program funds are applied in a more cost effective and coordinated method.

POTENTIAL ROLES FOR CBOS IN JTPA

There are many potential CBO roles in local JTPA programs:

- Grantee or Administering Agency: Nonprofit organizations are specifically designated as being eligible to serve as the local grantee or administering agency for JTPA SDA funds. Some CBOs served as the operating agencies for CETA programs. Such a CBO may be particularly useful for multi-County SDAs that seek a neutral entity for program operation and where multi-county CBOs exist to meet that need. Since CBOs have experience in managing federal and state grant funds, JTPA administrative and financial requirements could be met due to this familiarity with similar grant programs.
- Service Provider: CBOs may be sub-contracted by SDAs to provide any of the employment and training services included in the Area's plan and permitted under the JTPA legislation. These services include (but are not limited to) outreach, intake, assessment, training, and placement activities under the Title II, Adult and Youth Programs and the Summer Youth Employment and Training Programs. Since CBOs provide services to and represent many of the target training populations, they may be valuable in marketing JTPA programs to their communities and constituencies thereby enhancing their potential role as subcontractors for outreach and assessment. CBOs are sensitive to the special needs and problems of their constituents and can consequently be helpful in designing relevant training programs and delivering the training. A CBO environment is frequently a conducive one for training programs since trainees are usually more comfortable in this community-based setting and therefore are more likely to participate.
- Supportive Service Provider: Many of the JTPA-recognized CBOs operate other human service programs besides employment and training programs. Such programs include day care, transportation, community outreach and referral, counseling, and other special programs to meet the needs of their consumers. Since these are currently funded by non-JTPA resources, these CBO programs provide a valuable supplemental resource for County Officials to consider in their JTPA planning. CBOs will have in place the administrative structure for such services and consequently these services can be tapped either in kind or through subcontracts. Subcontracts with current supportive service providers may be less costly since JTPA will be only one of a number of funding sources for the administration and delivery of these programs.

-Advocacy and Representation of CBO Communities: Through their participation on the PIC or other coordination processes, CBOs can provide insight into the special needs of those they represent and provide Counties with ideas on how to meet those needs. Those CBOs that represent minority communities may be especially helpful in recruiting and encouraging the participation of minority business persons in JTPA programs and meeting the required representation of minority businesses on the PIC.

-Planning Process Participation: As noted, most CBOs frequently conduct community-based planning processes that include the collection of community demographics and needs. This experience in planning and the developed plans may be useful to County Officials in their own required planning process that is conducted in conjunction with the PIC. Furthermore, encouraging CBOs to participate in the JTPA planning process will increase their commitment to the JTPA programs finally adopted.

-Private Sector/CBO Partnerships: Some CBOs such as the Urban League, OIC, and community economic development agencies have long had private sector partners in the operation of their programs. These CBOs may be able to assist Counties in encouraging businesses and industries to participate in JTPA programs and provide models of successful cooperation. Counties may wish to encourage these partnerships through joint funding or contract requirements since this CBO/private sector cooperation has positive effects on the broader community beyond JTPA programs.

LEGISLATIVE REQUIREMENTS AND OPPORTUNITIES FOR COUNTY/CBO PARTNERSHIPS

JTPA Legislation	Requirements and Opportunities
Table of Contents; Sec. 4(5)	"The term 'community based organizations' means private nonprofit organizations which are representative of communities or significant segments of communities which provide job training services; for example, Opportunities Industrialization Centers, the National Urban League, SER-Jobs for Progress, United Way of America, Mainstream, the National Puerto Rican Forum, National Council of La Raza, 70,001, Jobs for Youth, organizations operating career intern programs, neighborhood groups and organizations, community action agencies community development corporations, vocational rehabilitation organizations, rehabilitation facilities (as defined in section 7(10) of the Rehabilitation Act of 1973), agencies serving youth, agencies serving the handicapped, agencies serving displaced homemakers, union-related organizations, and employer-related nonprofit organizations), and organizations serving nonreservation Indians (including the National Urban Indian Council as well as tribal governments and Native Alaskan groups."
Table of Contents; Sec. 4(24)	"The term 'supportive services' means services which are necessary to enable an individual eligible for training under this Act, but who cannot afford to pay for such services to participate in a training program funded under this Act. Such supportive services may include transportation health care, special services and materials for the handicapped, childcare, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program and may be provided in-kind or through cash assistance." <u>Opportunity:</u> Service Delivery Area plans may include provisions for supportive services to be provided by community based organizations either by contracts for services or through referral to existing CBO service programs in these support areas. Many CBOs currently receive funding for such human service programs and have long experience in the operation of these supportive services.

JTPA Legislation	Requirements and Opportunities
Title I, Sec. 102(a)(2)	"Each (Private Industry) Council shall consist of---representatives of the private sector... and representative(s) of...community based organizations..." <u>Requirement:</u> Private Council membership must include at least one CBO as defined above.
Title I, Sec. 102(c)(1)(A)	"Private sector representative on the council shall be selected...Whenever possible, at least one-half of such business and industry representatives shall be representatives of small business, including minority business." <u>Opportunity:</u> Since many of the CBOs are in fact also minority organizations working in minority communities, these CBOs may be invaluable in assisting County Officials to meet this requirement of minority representation on the PIC. CBOs may assist through outreach to minority businesses that may be interested in participating and/or in coordinating the private sector nomination process within minority communities.
Title I, Sec. 103(b)(1)	"The (Private Industry) Council, in accordance with an agreement...with the appropriate chief elected official(s)...shall...determine procedures for the development of the job training plan, which may provide for the preparation of all or any part of the plan...by such other methods or institutions as may be provided in such agreement; and select as a grant recipient and entity to administer the job training plan,...a nonprofit private organization or corporation..." <u>Opportunity:</u> County Officials and PICs may choose to significantly involve CBOs in the training plan planning process and, if they wish, contract with nonprofit organizations (such as CBOs) to act as the JTPA grant recipient and/or administering agency. Since many CBOs are required by their funding sources to conduct frequent needs assessments and long range plans, these agencies may times have data which will assist SDAs in the preparation of their plans, expertise in community-based planning processes, and access to low-income targeted communities. Some CBOs (particularly in rural and multi-county areas) have operated employment and training programs under CEIA and its predecessors and some SDAs will capture this experience and continue these program operation contracts, especially since the administrative structure is already established.

JTPA Legislation	Requirements and Opportunities
Title I, Sec. 104(b)	"Each job training plan shall contain...procedures for identifying and selecting participants and for eligibility determination and verification...procedures for selecting service providers which take into account past performance in job training or related activities, fiscal accountability, and ability to meet performance standards...a description of methods of complying with the coordination criteria contained in the Governor's coordination and special services plan..." <u>Opportunity:</u> The Job Training Plan may include the involvement of CBOs in outreach and intake activities for potential JTPA participants. Since CBOs have special ties to low-income and target communities, they may also have a special credibility with those individuals that are JTPA eligible. Also, since CBOs have frequently operated employment and training programs in the past, there is a track record that can be considered in deciding upon service providers; however, careful consideration should be given to how past operations were shaped by national policies as well as the actual operation of programs. Finally, the Governor's plan may cite specific CBO coordination criteria with which SDAs must comply.
Title I, Sec. 107(a)	"Selection of Service providers...In complying with this subsection, proper consideration shall be given to community-based organizations as service providers." <u>Requirements:</u> CBOs must be considered as potential SDA service providers.
Title I, Sec. 121(b)(1)	"The (Governor's Coordination and Special Services) Plan shall establish criteria for coordination activities under this Act (including Title III) with programs and services provided by...rehabilitation agencies...and such other agencies as the Governor determines to have a direct interest in employment and training and human resources utilization within the State."

JTPA Legislation	Requirements and Opportunities
Title I, Sec. 121(b)(1) (continued)	<u>Requirement/Opportunity:</u> The Plan (as mentioned above) may include coordination activities with CBO activities as the state and local levels; if so, SDAs may be required to establish such coordination procedures or may have the opportunity to establish local analogs for those planned at the state level.
Title I, Sec. 124(a)	"...the Governor is authorized to provide for job training programs which are developed in conjunction with Service Delivery Areas...designed to assure the training and placement of older individuals in employment opportunities and private business concerns. In carrying out this section the Governor shall after consultation with appropriate private industry councils and chief elected officials, enter into agreements with...nonprofit private organizations." <u>Opportunity:</u> Some states have decided to allocate their "three percent set aside" for older workers to their state elderly affair departments, which will in turn contract with nonprofits (such as Area Agencies on Aging) to provide the services. In those cases and others where state departments directly subcontract with nonprofit providers, County Officials could work with those nonprofits to assure the increased effectiveness of the SDA program and the state funded programs by developing mutually supportive activities through the exchange of information and cost-sharing of overlapping services.
Title I, Sec. 167(b)	"No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with an program because of race, color, religion, sex, national origin, age, handicap, or political affiliation or belief." <u>Opportunity:</u> Since many of the referenced CBOs have as their primary membership and clients the protected classes cited in this Section, they can be significantly involved in the SDA's affirmative action plan in the recruitment of participants and employees.

JTPA Legislation	Requirements and Opportunities
Title II, Sec. 203(a)(2)	"Up to 10 percent of the participants in all programs in a Service Delivery area...may be individuals who are not economically disadvantaged if such individuals have encountered barriers to employment. Such individuals may include...those who have limited English-language proficiency or are displace homemakers, school dropouts, teenage parents, handicapped, older workers, veterans, offenders, alcholics, or addicts." <u>Opportunity:</u> Many of the CBO organizations were developed primarily to provide services to those who "have encountered barriers to employment" and, consequently, be valuable to SOAs in recruiting, training, and providing supportive services to these special need individuals.
Title II, Sec. 204	"Services which may be made available to youth and adults with funds provided under this Title may include..." <u>Opportunity:</u> As noted, CBOs are eligible subcontractors for the 28 plus service allowed to be provided under this Section.
Title II, Sec. 205(c)	"The job training plan may provide for the conduct of a 'preemployment skills training program' for youth..." <u>Opportunity:</u> CBOs working with the youth most frequently in need of these preemployment skills are also eligible to be the contracted service provider of any or all of the permitted training activities.
Title II, Sec. 205(d)(3)	"Entry employment experiences may be one of the following types: (A) Full-time employment opportunities in public and private nonprofit agencies...(B) Tryout employment at private for-profit worksites, or at public and private nonprofit worksites when private for-profit worksites are not available." <u>Opportunity:</u> These allowable activities permit SOAs to select nonprofit CBSs to serve as work experience sites.

JPTA Legislation	Requirements and Opportunities
Title II, Part B	"Summer Youth Employment and Training Programs" <u>Opportunity:</u> Many CBOs' initial entry into employment and training program activities was the operation of the Neighborhood Youth Program. If local CBOs have operated these programs in the past, SDAs should give "proper consideration" as required by the Act for the CBOs to serve as sub-contractors for this program. If not, CBOs can also be considered to develop outreach and intake activities for this program, to provide counseling and supervision, and/or to serve as worksites for the allowable work experience program.
Title III, Sec. 303(a)	"Financial assistance provided to States under this title may be used to assist eligible individuals to obtain unsubsidized employment through training and related employment services..." <u>Opportunity:</u> States may decide to subcontract with CBOs to deliver these services to dislocated workers. Since PICs and chief elected official(s) will have the opportunity to review these programs previous to their implementation, County Officials should review Title III plans for assurance that the CBO selected is appropriate and/or to identify other CBOs that could be involved in program operations or supportive activities.
Title III, Sec. 308	"State...shall submit a plan...which includes appropriate provisions for the coordination of programs conducted with such assistance as...low-income weatherization and other such energy conservation programs, and social services." <u>Opportunity:</u> CBOs in most states operate the low-income weatherization programs and in all cases provide social services; consequently, this coordination plan for dislocated workers should be reviewed to assure that local CBOs are included and that effective coordination mechanisms have been developed.
Title IV, Part A	"Employment and Training Programs for Native Americans and Migrant and Seasonal Farmworkers"

JTPA Legislation	Requirements and Opportunities
Title IV, Part A (continued)	<u>Opportunity:</u> This federally administered program will potentially be subcontracted to CBOs in the communities under the jurisdiction of County Officials. Again, there is a potential to develop formal linkages with these federal program operators to allow the Title II programs to work together with the Title IV programs rather than duplicate efforts to these target groups. Such cooperative efforts may include the exchange of information, cross-referral of individuals for program services, and joint program operations in areas such as placement and training contractin
Title IV, Part B	"Job Corps" <u>Opportunity:</u> Many CBOs are currently involved in recruiting, screening, and selecting candidates for the Job Corp Program. Such CBOs and County Officials may wish to coordinate their efforts to assist in referring applicants for Title II programs that are potential Job Corps candidates to CBOs, and vice versa. The legislation also permits CBOs to operate Job Corps centers under a planned pilot project.
Title IV, Part C	"Veterans' Employment Programs" <u>Opportunity:</u> Again, local CBOs may be contracted directly to operate this national program by the Department of Labor which will again require SDAs to develop methods of program coordination so as to mutually enhance both programs.

(This Issue Paper has been developed to assist County Officials and Community Based Organizations in working together and has been developed as a partnership between the National Association of Counties and the Center for Local and Community Research.

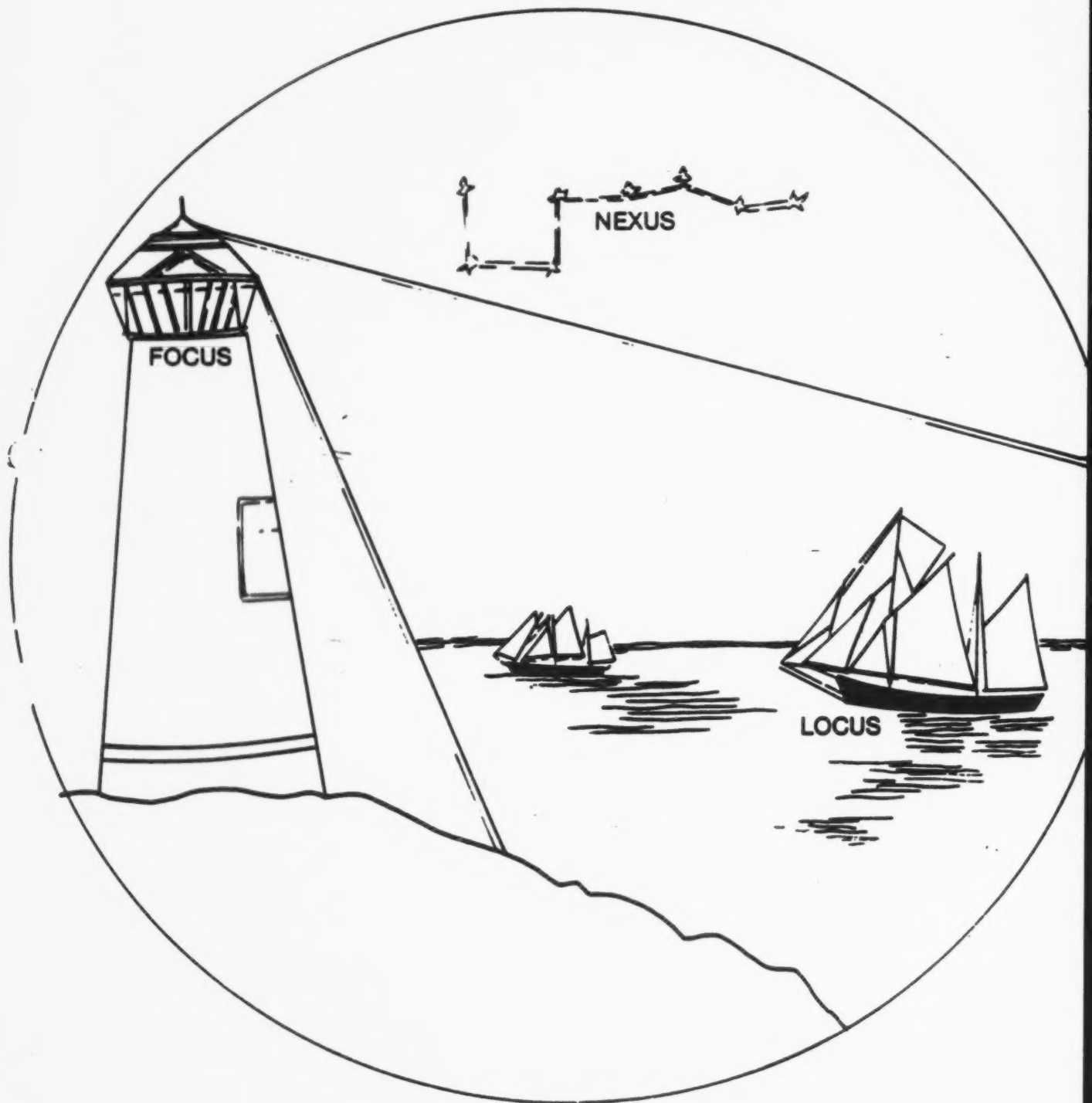
NACO has been awarded a grant from the U.S. Department of Labor to provide training and technical assistance to county elected officials on the Job Training Partnership Act. For more information, contact George Wenschhof, project director, at (202) 393-6226. Project staff: Kathy Duchene, Patricia Elston, Linda Garrett, Larry Jones, Ellen McGiver, and Steve Pines.

The CENTER is working with states, local communities, and Private Industry Councils as they implement JTPA and has produced a JTPA Participation Manual for Community Based Organizations. For more information, contact James Masters, Director, at (415) 540-0943. Project staff: Greg Newton, Marjorie Schiller, Dave Knuti, Kathy Humphrey and Phil Gillespi.

END

NEXUS

UNIQUE SIMULATION SERIES
JOB TRAINING PARTNERSHIP ACT



NEXUS
JOB TRAINING PARTNERSHIP ACT

by Phillip H. Gillispie
for
THE CENTER FOR COMMUNITY FUTURES
3032 Claremont Avenue
Berkeley, California 94705
(415) 654-9036

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TABLE OF CONTENTS FOR NEXUS

The Game takes two hours to play.

<u>Part</u>	<u>Contents</u>
1.	Leaders Guide
2.	Preparing for the Game: Understanding JTPA
3.	Preparing for the Game: Background on NEXUS.
4.	Preparing for the Game: Overview
5.	Preparing for the Game: Setting Up
6.	Participants Guide: Overview
7.	Participants Guide: Role Group List, and Role Group Descriptions
8.	Participants Guide: Worksheet
9.	Participants Guide: Detailed Instructions for Each Meeting
10.	The Debriefing After the Outcome

The LEADER should make the following signs before the game is played:

Name tags.

Signs identifying the six Role Groups.

A sign for the Legislative Chamber.

Duplicate a copy of the participants guide for each participant.

Duplicate a copy of the role group description for each group.

LEADERS GUIDE

The simulation game NEXUS: JOB TRAINING PARTNERSHIP ACT is written for professionals and/or volunteers in a community based organization (CBO), who want to involve a CBO in the Job Training Partnership Act (JTPA). Undoubtedly, by this time the game director will have read quite a bit about JTPA and will have some knowledge of the local program. There is one caution for the user of this simulation: "Do not try to compare the model used for this simulation game with the JTPA program in your local community." There is probably no federal program where the STRUCTURE, as well as the content of a program will change so much from community to community.

Although the JTPA programs can vary greatly among communities, there are some principles which this simulation seeks to illustrate that will not vary. The objectives of NEXUS are:

- 1) To illustrate the value of public/private partnerships in the development of JTPA programs;
- 2) To advocate for greater CBO involvement in JTPA by promoting a better understanding of the process and content of JTPA; and
- 3) To promote innovative thinking by CBO's that wish to become more involved in JTPA.

This Leader's Guide is written to provide the game leader specific instructions for running the simulation game. It is not necessary to have run other simulation games to successfully direct this game.

Part 2.

PREPARING FOR THE GAME

UNDERSTANDING JTPA

In order for participants in this simulation to better understand the history and current status of the JTPA program, this Guide includes Chapter VIII, which is a good summary of roles for Community Based Organizations, and four summary charts that are located at the end of this game. These documents outline the federal structure and local components of JTPA and suggest some specific strategies that CBO's can use to further their involvement.

Although it was mentioned above, it is important to emphasize the unique nature of the JTPA program. JTPA offers more opportunity for creativity than almost any other federally funded program, because there are opportunities for involvement by CBO's at all levels of the program. In running the simulation, the director will need a good grounding in the JTPA program in order to be able to respond to the many variations that may arise in the course of play.

Finally, we must point out that the purpose of this simulation is not to design a perfect local JTPA program, but to stimulate additional involvement by CBO's and to provide some access points for that involvement.

For the purpose of this simulation game, the PIC will also be the administering agency (SDA) for the local JTPA program. The PIC will have the authority to make the final decision on the project that will be submitted to the state for funding, and will itself operate whatever programs it does not contract out.

BACKGROUND ON NEXUS

The game of **NEXUS** will require the leader to play the role of a state bureaucrat who is trying to implement an innovative and different local JTPA program. A quick reading of the other material in the packet will reveal that the emphasis during this simulation will be on new ideas and new approaches to JTPA.

The game leader will play the role of **Mr/s. X**, an official from the state JTPA office. The state office has determined that BROADSITES, a Community Action Agency and Landover County will both be involved in an experimental project to try to obtain more involvement by Community Based Organizations in the JTPA program. It has been determined that the SDA will receive a special grant of \$800,000 if a cross section of community groups can together decide on an innovative program that:

- creates jobs;
- demonstrates a public/private partnership; and
- creates a JTPA program that is innovative for BROADSITES and Landover County.

After consultation with the local PIC **Mr/s. X** has decided that if six organizations can work together to create an innovative JTPA program that meets the above criteria, the state will fund it. The groups are: The County Executive's Office, The Chamber of Commerce, Price Cutter (a local supermarket chain), BROADSITES Community Action Agency, The Community Planning Council, and The BROADSITES Association of Neighborhood Councils (BANC).

Mr/s. X has asked the County Executive to invite representatives of each of these groups to a meeting in the County Legislature's Chambers. At this meeting, which will initiate the game, the leader will explain the reason for bringing the groups together and outline the context and the procedure for the simulation game.

Following is a more detailed explanation of how the simulation game will unfold. Time frames have been assigned in order to keep the process moving. Try to stay within the time frames. Do not be concerned if it appears that the time frames are too short.

OVERVIEW

The simulation will proceed through four clearly defined rounds. Mr/s. X, the representative from the state will serve as the game director and will indicate when the game is to move from one segment of the game to another. The game director will provide instructions as the simulation proceeds and it will not be necessary to understand all aspects of the simulation prior to beginning. In other words the "rules of the game" will unfold as the game progresses. The rounds will follow this outline:

- Round 1: A Community Meeting for the purpose of hearing an explanation of the special project that will be developed during the course of the simulation.
- Round 2: A Public Hearing on possible innovative programs. The two segments of this round are:
 - A. Role Group Meetings and
 - B. The Public Hearing
- Round 3: The PIC Meeting for the purpose of narrowing the options for proposals to be considered for the special project. Round 3 also has two parts:
 - A. The Role Group Meetings and
 - B. The PIC Meeting
- Round 4: The PIC Meeting for the purpose of making the final decision on the project.
 - A. Role Group Meetings
 - B. The final PIC Meeting

If you have played other games in the Unique Simulation Series you will note in this simulation there is more opportunity for creativity and innovative thinking. Because JTPA is relatively new and has not become so institutionalized at the local level there is still a chance to make some significant changes in the program. This simulation has been designed to assist those who wish that local human services organizations could have greater involvement in JTPA and could obtain additional funding from JTPA. In the process of playing the game it is most important to think creatively and to have fun.

Part 5.

SETTING UP AND INTRODUCING THE GAME

Prior room arrangement is important. One large room is the best alternative. However, if more than one room is necessary make sure they are contiguous. In arranging the room set up one end of the room for the county Legislature's Chambers. The public meetings will be held here and this area should remain set up during the role group meetings. The balance of the room will be for role group meetings.

The role group meeting areas should remain constant throughout the game and are to be marked with each group's respective sign. The Legislature's Chambers will need a "Head Table" and a place for the members of the public (the game participants) to sit.

As the participants arrive for the game, the game leader will assign them to role groups. They will be handed a "Participants Guide", which includes a brief introduction to the role groups. Do not worry about how people are assigned unless it is necessary to see that some people are not put into the same role group. Be careful to see that there is an equal number of participants in each role group. When people arrive the leader should introduce him/herself as Mr/s. X from the state office and explain that questions will be answered as the simulation progresses.

As the assignments are made, direct the participants to the County Legislature Chambers where the first Round will take place. They can use the time prior to the beginning of the simulation to read the "Participants Guide," but they should not begin discussing the simulation with others at this time. The more detailed instructions for the individual role groups will be distributed at the beginning of Round 2.

The six areas for the role group meetings will need to be set up prior to the start of the game. The County Executive Office group can meet at the table in the Legislative Chambers, but the other groups will need specifically defined meeting areas that will not change during the course of the simulation.

PARTICIPANTS GUIDE: OVERVIEW

For the next two hours you will be a resident of Broadsites USA or one of its surrounding communities. Broadsites is located in Landover County, a Service Delivery Area (SDA) for the local JTPA program. Landover County, a predominately rural area is geographically quite large and has a population of approximately 450,000 people. Broadsites is the only city in the county and almost all of the minority population of the county lives in Broadsites. Because of the positive record Landover County had with CETA and because of the positive record to date with JTPA, the county has been selected by the state to receive a special demonstration grant of \$800,000 for the purpose of developing an inovative program that will illustrate a positive public/private partnership and demonstrate an innovative approach to job training.

Mr/s. X, the representative from the state has been spending a great deal of time in the community trying to develop a model program and has decided that the best way would be to invite representatives from the Chamber of Commerce, the Broadsites Community Action Agency, the Price Cutter Supermarket chain, the Broadsites Association of Neighborhood Councils (BANC), the Community Planning Agency, and the County Executive Office to meet with him to initiate a process for determining what the innovative program should be. The simulation game will begin with the County Executive convening a community meeting.

As a member of one of the groups, you will have an opportunity during the course of the game to help determine what the special project will be.

It is quite possible that the decision making process in this simulation is different than the process used in your local community. The purpose of the simulation is to create new and innovative approaches to job training and to create some illustrations of how community based organizations (CBO's) can become more involved in JTPA. The bias of this simulation is that CBO's have a significant role to play in JTPA and that is best "played out" within a cooperative framework. Hopefully, the game will help to formulate some new ideas about how to use JTPA.

PARTICIPANTS GUIDE: ROLE GROUPS

The County Executive's Office: The CE is an elected official who wants to offend as few people as possible. The CE relates to JTPA primarily through the staff and tries to maintain some distance from the JTPA decision making process. The Executive is considered a moderate politically, but appears to be conservative to most of the public.

The Chamber of Commerce: The Chamber is primarily concerned about the decay of the commercial district of BROADSITES, but the new Executive is pushing them to consider the development of an emphasis on neighborhood businesses. The tension that exists within the Chamber over the changes that the new Executive is pushing are just below the surface.

The Community Action Agency: The leadership of the Community Action Agency has been very stable for at least five years. The Executive Director has been content to implement the traditional programs and has been reluctant to take on any new projects. However, the program committee of the Board of Directors has responded positively to the new ideas being presented by the Community Services Director of the agency. A number of Board members are anxious to see a more aggressive agency with an emphasis on advocacy.

The Community Planning Agency: CPA was initiated 8 years ago by the United Way as a method of bringing together the public and private human services planning functions. Both the United Way and the County Executive have begun to draw away from CPA because CPA has been making recommendations concerning the consolidation of certain youth programs. And to further add to the tension within and without CPA, the current Executive and Board Chairperson believe that CPA should become more of an advocacy agency.

The BROADSITES Association of Neighborhood Councils: BANC was created by the city planning department four years ago in the process of developing a Community Development Block Grant proposal. BANC has since that time taken on a life of its own and is now controlled by groups who see the city's economic future linked to the development of neighborhood businesses. Although their primary project at the moment is stopping the development of a large suburban shopping mall, they are quite concerned about any project that could produce more jobs.

Price Cutters: The locally based supermarket chain has had great success working with CETA and JTPA because they have utilized both programs to train clerks and other entry level people. The advantage to Price Cutter is balanced by the number of permanent job placements there. Price Cutter has played a leading role in the PIC and now their representative is the Chairperson.

Part 7.

PARTICIPANTS GUIDE: ROLE GROUP DESCRIPTIONS

THE COUNTY EXECUTIVE'S OFFICE

The County Executive has been very ambivalent about JTPA because the office does not have the same power it had under CETA. Because of the lack of control the County Executive has been playing a wait and see attitude toward JTPA. The staff of the County Planning Office are the other members of the group. Also the Chairperson of the JTPA Committee of the County Board of Representatives is a member of the group.

When the group meets for the first time in the second round, the first task is to choose a group leader who will serve as the County Executive. Also choose the person as a member of the County Legislature. In determining what project to support, the County Executive's Office has two objectives: 1) find a way to get some of the money for the on-going funding of the planning department and 2) try to solidify political support from the business community.

As the simulation develops members of the County Executive's Office will spend more time than others circulating among the other groups trying to influence a decision. The group members will seek to serve in a mediating capacity, while "playing the role" of technical assistant.

During the public hearing and the PIC meetings, the County Executive will sit at the table at the front of the room. Any opportunity to look and act official must not be missed.

THE BROADSITES ASSOCIATION OF NEIGHBORHOOD COUNCILS

BANC has begun to focus during the past year on bringing new business into the respective neighborhood shopping areas. They have decided that downtown development has received too much of the community development money and that resources could be used more effectively and efficiently in the neighborhoods. Until recently the politicians were able to play one neighborhood off against another, but since BANC has become strong they are beginning to force the city and county officials to see them as a political as well as economic force.

When the group first convenes, they will choose a leader who will be the Chairperson of BANC during the simulation game. As the group decides what project to support for the special JTPA funding, they will be weighing how best to exercise their economic and political power. While it may be important to write a proposal that will be supported by the other groups (something to enhance the neighborhood business revitalization), it may also be important to make some long term friends by supporting a project proposed by one of the other groups that BANC will need in the future.

The Chairperson of BANC will need to meet with the Chairperson of the CAA early in the second round to determine how they will share their representation on the PIC. The group will also need a person to speak at the public hearing.

BROADSITES COMMUNITY ACTION PROGRAM

When the group convenes for the first time, they will choose a leader who will serve as the Executive Director of the Agency. The Executive Director has been a stable influence on the agency for a number of years, but some members of the staff and board believe that it is time for the agency to take more risks and be less afraid to endorse controversial policies.

Those who want the agency to be more advocacy oriented see the JTPA special grant program as the chance to initiate a more aggressive program. In determining what type of program to develop the CAA could propose something "safe" like doing the outreach for someone else's innovative idea, or propose something quite ambitious like the development of a school for training human services workers who would be able to obtain jobs in the human services agencies. The project that is developed by the group can be for all or part of the \$800,000 that is available.

During the second round, when the group first convenes the Chairperson will have to meet briefly with the Chairperson of BANC to choose one person to serve on the PIC.

THE COMMUNITY PLANNING AGENCY

The Community Planning Agency has recently gone through a series of difficult meetings trying to determine whether or not they are an advocacy organization. Specifically, they had to decide whether or not it was within their guidelines to work actively against the federal budget cuts in human services. The decision was yes, it is permissible, but some of the more conservative members of the Board resigned. The current Executive and Board Chairperson were delighted with the decision, but feel as though it is necessary not to be too controversial at this time.

The leader of this group who will be chosen the first time the group meets will serve as the Executive Director of the CPA. Another member of the group will have to choose to serve on the PIC.

In considering what to propose for the special grant keep in mind two options: 1) make no independent proposal, but merely work for the one that is most attractive from another group, or 2) develop a theoretical planning process that will culminate in identifying the most likely jobs in the 1990s. These are only options that could be used in the event the group does not come up with a better idea that is consistent with the organization's objectives.

THE CHAMBER OF COMMERCE

When the Chamber convenes for the first time in the simulation game, the role group will become the Executive Committee of the full Chamber. The first task for the group will be the selection of a leader and that person will become the Executive of the Chamber. The official title will be Executive Vice-president. The Executive is relatively new to the organization and has some conflict with the "old guard" within the Chamber. The differences manifest themselves in the quiet but persistent disagreement over whether the Chamber should continue to emphasize downtown development as a priority or whether it should begin to give equal priority to the development of neighborhood businesses. The new Executive wants to give equal priority to the neighborhood businesses and see the new special JTPA project as a way of funding such a venture.

Realizing that there is a potential of \$800,000, the group should develop a proposal for the funds either in whole or in part. Remember that other groups also are looking for a way to utilize the money. Every effort should be made to develop an innovative proposal. However, the group could propose on the lower end of the spectrum doing the promotion for whatever project is chosen, or go after the full amount of the grant and propose developing a job training package designed to enhance the small retail business in the neighborhood districts.

In addition to the selection of an Executive, the group will also need to choose a person to serve on the PIC and someone to speak at the public meeting.

PRICE CUTTERS

The Price Cutter supermarket chain is locally based and has a remarkable record of enlightened community service and profit ratings. Many people claim that it is their community service that provides the best advertising for them. As a community service one of the executives of Price Cutters has been active in the local job training programs for a number of years. He began with the Manpower Advisory Council under CETA and continued on with the Private Industry Council. When the role of the PIC was expanded, he was the natural person to head the PIC and, of course, always expressed an interest in providing jobs through Price Cutters. The fact that the job training was also very financially advantageous to Price Cutters has been acknowledged, but his involvement is still seen from the perspective of providing community leadership.

The opportunity for the development of an innovative program is met at Price Cutters with mixed emotions. On one hand it is another "pot of money" to go after; on the other hand, Price Cutters has benefited very well from the present arrangement, and a new innovative approach to job training may be a long term threat to the current arrangements.

The participants in this role group are part of the management team at Price Cutters assigned to job training. They view the prospect of new money positively and are beginning to see how it can impact positively on the Price Cutter training budget. The leader of this group -- the person who is also the Chairman of the PIC -- would like to use the special project funds to forge a closer working relationship with either the Chamber or BANC. Price Cutters also have a seat on the PIC in addition to the Chairperson.

As the members try to determine what project to propose or to support from one or more of the other groups, they never lose sight of one fact: how will our decisions impact the "bottom line" of Price Cutters. Two possibilities that they are considering are: supporting the Chamber's proposal or putting in a proposal themselves or in conjunction with BANC to open neighborhood oriented markets in a number of small business districts in the county and use the special project money to train all the personnel for the new stores.

PART 8.

PARTICIPANTS GUIDE: NEXUS WORKSHEET

Make Notes About the Project Proposal Presented by:

COUNTY EXECUTIVE

COMMUNITY ACTION AGENCY

COMMUNITY PLANNING AGENCY

THE CHAMBER OF COMMERCE

B.A.N.C.

PRICE CUTTERS

Part 9.

PARTICIPANTS GUIDE FOR ROUND 1: A COMMUNITY MEETING IN 10 MINUTES

In what may be the shortest community meeting in history, Mr/s. X will begin the meeting by thanking the participants for attending this gathering and for agreeing to take part in this experimental project. After a brief explanation about the time of the game (approximately one and one half to two hours), the game leader will admonish the participants to follow the time frames that the leader will establish. Also participants should be encouraged to hold their questions, because most all questions will be answered as the game is played.

Then the leader will make opening remarks as Mr/s. X. The opening remarks should include the following points:

- This community has been chosen to develop an innovative project because of their good track record with JTPA;
- Explain which groups are participating;
- Outline the criteria for a successful project: Create jobs; demonstrates a public/private partnership; and creates a JTPA program that is innovative for Broadsites CAA and Landover County.
- Give instructions about the time frame and schedule to be followed for the experimental project. That time frame is:
 - ** Within two weeks role groups meet
 - ** Within one month a public hearing
 - ** One month later role groups and PIC will meet
 - ** Within one more month a final PIC meeting

Just before the participants break from the meeting to go to their respective group meetings, remind them of the agenda for the first meeting; namely, choose a leader, come up with an initial idea for a project, and select PIC representatives.

ROUND 2: PUBLIC HEARING

A. Role Group Meeting

15 minutes

Each role group will follow the agenda outlined in their respective descriptive material. The game leader should be available if any of the participants have questions. Otherwise there is no need to monitor or interrupt any of the groups. The focus of this round is for each to design a project they believe would be in the best interests of their respective group. While the material they have been given will have at least one possibility, participants should be encouraged to come up with an original idea.

B. The Public Hearing

15 minutes

Each of the groups will make a three minute presentation on the project they would like to see funded with the special grant. Because of the tight time frame, there will not be time for questions of clarification.

The game leader should run the meeting, but invite members of the PIC to sit up front and listen to the testimony.

ROUND 3: PIC MEETING

A. Role Group Meetings

15 minutes

During this session of the role groups, negotiations among the groups should be taking place. Each of the groups will begin to see where they can pick up support from other groups. In the event that the leader notices a group or groups that are not negotiating, it may be necessary to push that group a bit.

B. The PIC Meeting

15 minutes

The PIC consists of two members of the Price Cutters group, one each from the Planning Council and Chamber, and one jointly selected by BANC and the CAA. The Chairperson of Price Cutters will chair the PIC and follow the agenda that the game leader provides. That agenda will be:

- Opportunity for statements from the public. The other game participants will constitute the public.
- Statements from members of the PIC regarding the proposals that have been presented.
- Discussion that will conclude with a decision to cut the field of eligible proposals to three (3).

The Chairperson should note that this decision is not final and that it is possible for the committee to entertain new proposals. However, the ones that have been rejected will not be considered again, unless there is unanimous consent from the PIC.

ROUND 4: THE PIC MEETING FOR A FINAL DECISION

A. Role Group Meetings

15 minutes

By this time the groups will have narrowed down the options for designating the special project. The groups will begin by assessing the status of the current proposals and determining their bargaining position. Negotiations with other groups will be the most significant part of this section of the round.

B. PIC Meeting

15 minutes

The PIC will reconvene in the large meeting area and the other participants will serve as the audience. The PIC will have one item on the agenda: The selection of an innovative project to submit for the special funding. After about 10 minutes of deliberation, the PIC will make a decision on the project to submit for funding. The role of the game director will be to make sure that the PIC does not avoid making a decision. As soon as the decision is made the simulation is complete and you are ready to begin the debriefing.

THE DEBRIEFING AFTER THE FINAL MEETING

When the game is completed, all the participants should be brought together in one group to discuss what they have learned from the game. The debriefing can be divided easily into three sections. The first section of the debriefing is initial reactions to the game. People can separate themselves from their roles by talking about their role character in the third person. For example, "When the Chamber of Commerce Executive spoke about...." from the person who played the role of the Chamber Executive. Emphasis should be placed on how people felt in their respective roles. For example, "how did it feel to be responsible for making a recommendation to the PIC."

The second section of the debriefing will deal primarily with the content of the game. How were the decisions made? What were the determining factors in the final outcome? What authority was attached to particular roles? Look for ways to point up the subtle factors in the decision making process.

The final section of the debriefing should be used to evaluate the game. Is the tool helpful and how could it be used more effectively?

At the conclusion of the simulation, The CENTER for Local and Community Research would appreciate your taking the time to send us the idea that the PIC decided to fund. We will publish a book with the ideas in it and should your idea be included you will receive not only a complementary copy of the publication, but some recognition as well.

JTPA Charts

Chart 1.

HOW A CBO CAN GET INVOLVED IN JTPA

The bottom line for most CBO's is getting JTPA funding from their PIC. But all speakers emphasized that the CBO that focuses only on its proposals is not likely to be successful. CBO's must involved themselves in the whole PIC policy making and planning process. The steps to take:

What to Do

How to Do It

1. Represent your constituency on the PIC.
 - a) Be appointed as a representative on the PIC.
 - b) Try to serve on a committee of the PIC, whether or not you are a representative.
 - c) Attend PIC meetings. Make your voice heard.
2. Inform the PIC of community needs.
 - a) Define the population you serve. Use surveys and needs assessments to determine the needs of the community and the type of program they need.
3. Inform the PIC of business needs.
 - a) Find the businesses that would hire trainees from your area--by visiting businesses, by holding meetings of businesses, by working with businesses that are moving to the area.
 - b) Identify the area business needs trainees in.
4. Develop a training program.
 - a) Develop a training program that targets a specific group or community and that meets the needs you have previously identified.
5. Identify community resources.
 - a) Give your proposal as broad a base as possible. Can you work in partnership with transportation, childcare, or other social services?
 - b) Will business provide any training resources--funds, equipment, space, or staff?
 - c) Can you mobilize matching funds or in-kind resources from other grant sources?
6. Gather support for the program.
 - a) Get written support for the findings of your needs assessments from business, local government, and community leaders.
 - b) Get written support that your proposal addresses those needs.
 - c) Get good faith commitments from businesses to support the program/hire your trainees.
7. Demonstrate support for the program.
 - a) At the PIC meeting, have business leaders speak up in support of your program.

The more effort you put into developing a proposal that is a partnership with business and other community groups, the more support you will have at the PIC meeting for your proposal.

Chart 2

CBO CAPABILITIES

When the PIC Asks for:

- Market Surveys
- High Placement Rates
- Low Administrative Costs
- Proven Management Ability
- Partnerships
- Bonus points (Why should we fund you instead of someone else?)

The CBO has:

- Needs assessments
- Surveys
- Census data and demographics
- Visits to businesses
- Client data
- Access to specific groups
- Ability to give small, targeted services to trainees screened for that service.
- Contact with community businesses that can hire trainees.
- Small, service-oriented agency with low administrative costs (as compared to local government or public education institutions)
- Accustomed to working within tight administrative guidelines of various grantors.
- Its grants management record
- Belongs to network of CBO's
- Can contact local business community
- Ability to provide/link clients to support services.
- Ability to mobilize matching resources.

DEVELOPING NEW STRATEGIES UNDER JTPA

CBO's should take a fresh look at the activities they can pursue that are related to JTPA, the ways they can pursue them, and the funding sources for each activity. Try to link the services with the strategies to determine your agency's place in the new employment and training world.

Some of the Employment and Training Activities a CBO can pursue as listed in the Act are:

- (1) job search assistance,
- (2) job counseling,
- (3) remedial education and basic skills training,
- (4) institutional skill training,
- (5) on-the-job training,
- (6) programs of advanced career training which provide a formal combination of on-the-job and institutional training and internship assignments which prepare individuals for career employment.
- (7) training programs operated by the private sector, including those operated by labor organizations or by consortia of private sector employers utilizing private sector facilities, equipment, and personnel to train workers in occupations for which demand exceeds supply.
- (8) outreach to make individuals aware of, and encourage the use of employment and training services,
- (9) specialized surveys not available through other labor market information sources,
- (10) programs to develop work habits and other services to individuals to help them obtain and retain employment,
- (11) supportive services necessary to enable individuals to participate in the program and to assist them in retaining employment for (not to exceed) 6 months following completion of training,
- (12) upgrading and retraining,
- (13) education-to-work transition activities,
- (14) literacy training and bilingual training,
- (15) work experience
- (16) vocational exploration,
- (17) attainment of certificates of high school equivalency,
- (18) job development,
- (19) employment generating activities to increase job opportunities for eligible individuals in the area,
- (20) pre-apprenticeship programs,
- (21) disseminating information on program activities to employers,
- (22) use of advanced learning technology for education, job preparation and skills training,
- (23) development of job openings,
- (24) on-site industry-specific training programs supportive of industrial and economic development,
- (25) follow-up services with participants placed in unsubsidized employment,
- (26) coordinated programs with other Federal employment-related activities,
- (27) needs-based payments necessary to participation in accordance with a locally developed formula or procedure, and,
- (28) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of that training.

STRATEGIES--WAYS OF PURSUING
JTPA RELATED ACTIVITIES

<u>STRATEGY</u>	<u>ACTIVITIES</u>	<u>FUNDING SOURCES</u>
(1) Direct Service	Administer and operate employment and training programs for adults and youth. Possibilities: outreach, screening, intake, pre-vocational education, basic education, counselling, day care, transportation. Usually another entity creates the situation.	PIC/JTPA Funding Government Grants User Fees Contracts for Services
(2) Non-Service	PIC representative, planning/designing (monitoring/evaluating programs of other agencies, advocating for equal employment opportunity for programs that serve low-income needs, for use of minority businesses and community-based organizations.	Grassroots Fundraising Special Events Alternative Foundations Government Funding
(3) Entrepreneurial	<u>Sell</u> your expertise: <u>Provide</u> needs assessment/ market data to other groups. <u>Package</u> training programs for groups of agencies. <u>Broker</u> services of other agencies <u>Provide</u> training. <u>Sell</u> use of staff expertise or equipment and space to other agencies.	Joint Ventures with Private Sector PIC/JTPA User Fees State Economic Development Funds Community Development Block Grants Urban Development Action Grants.

You help create the situation!



CENTER FOR COMMUNITY FUTURES

The Center for Community Futures is a national nonprofit training and technical assistance organization that provides consulting services to public agencies and nonprofit organizations. We help employment and training programs achieve their mission and more effectively accomplish their program objectives.

The Center helps employment and training agencies forge a future from uncertainty by providing them with the knowledge and tools they need to:

- * Understand megatrends and the future.
- * Recognize, create, and seize opportunities.
- * Identify and implement new program approaches.
- * Use technology to improve the effectiveness and efficiency of their operations.
- * Manage change in the real world.

The Center is an association of creative professionals who have a wide range of technical expertise in organization development, strategic planning, board management, program administration, fiscal operations, information systems, policy analysis, and using personal computers.

The Center is a 1982 spinoff from the prestigious Institute for Local Self-Government. The Institute was founded in 1955 as the research and training arm of the County Supervisors Association of California, and the League of California Cities.

The following workshops, publications, and other products and services (pp. 55-57) are a sampling of those provided by the Center that are directly relevant to employment and training.

The complete Corporate Capability Statement of the Center for Community Futures is available by writing the Center or by calling 415/654-9036.

CENTER CONSULTANT RESOURCES

Greg Newton, Senior Associate. Mr. Newton has assisted public and nonprofit agencies across the country on the national, state, and local levels. Because of his expertise on the subject of employment and training programs and older workers, he has planned and delivered hundreds of speeches, workshops, and on-site consultations. He holds a Masters in Public Administration from Harvard University and is the author of this publication.

Alan Zuckerman, Senior Associate. Mr. Zuckerman is an expert on employment and training programs with more than twenty years experience. He has worked for the U.S. Department of Labor, Opportunities Industrialization Centers of America, the Center for Social Policy at Temple University, and the Center for the Study of the Unemployed at New York University. He has provided training and technical assistance to state, county, and city governments, nonprofit organizations and private industry in planning, program development, and services to the unemployed. He has also written policy papers for the National Governors' Association, National Commission for Employment Policy, and the National Youth Employment Coalition. He earned a Masters in Business Administration from the Columbia Graduate School of Business.

James I. Masters, Director of the Center. Mr. Masters has twenty years experience as a hands-on operator of public and private programs at the federal, state, and local levels. He is an expert at administering and providing training and technical assistance.

Other Senior Associates of the Center include:

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Larry Lillis
Ed Schoenberger
Wayne Thomas
John Wandless
Donald Will

The Center maintains offices in Boston, Washington, D.C., and Kansas City. The main office is in Berkeley, California.

For more information call James Masters in Berkeley at 415/654-9036, or Greg Newton in Boston at 617/426-5533.



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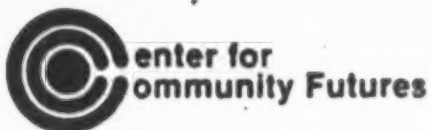
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1. RECRUITMENT! Finding Customers for Employment and Training Programs. How to find, reach, and recruit the people you need. By Greg Newton. \$44.
2. The ABC's of the Job Training Partnership Act. JTPA Guide # 1. Comprehensive overview of structure and functions; index to federal regulations. (76 pp.) By David Knuti. Edited by Alan Zuckerman. \$35.
3. Programs and Activities Under JTPA. JTPA Guide # 2. What is possible under JTPA. Plus--six model programs. (131 pp.) By David Knuti, Greg Newton. Edited by Alan Zuckerman. \$45.
4. Community Based Organizations and JTPA. JTPA Guide # 3. Step-by-step techniques for getting JTPA funds. (111 pp.) By David Knuti, Greg Newton. Edited by Alan Zuckerman. \$45.
5. Developing Local Public-Private Solutions for California's Employment Problems. JTPA Guide # 4. 6 case studies. (154 pp.) By Kathy Humphrey, Mitchell Schwarzer. \$35.
6. County Elected Officials and JTPA. The Rationale and Strategy for Partnership with Community Based Organizations. JTPA Guide # 5. Use this to help deal with your County. Prepared jointly by the National Association of Counties and Greg Newton. \$5.
7. NexUS. Take a run at getting JTPA funds. Process techniques and examples. A Unique Simulation Trainer's Manual. By Phil Gillispie. \$29.
8. Integrating Employment and Welfare Programs. The

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